

Calling for a European Industrial Maritime Strategy for Sustainable Ship Recycling and Quality Jobs

IndustriAll Europe and NGO Shipbreaking Platform recognise ship recycling as a strategic industrial activity within the European maritime manufacturing sector, positively contributing to the European Union goals on circular economy, strategic autonomy of raw materials and decarbonisation.

Yet, according to data from the NGO Shipbreaking Platform, today, almost 90% of global ship tonnage continues to be dismantled under dangerous and polluting conditions on three beaches in South Asia. Most importantly, while the EU/EFTA owned fleet represents 35% of the global fleet, only 1% of these vessels are recycled within the EU, meaning that valuable materials, such as steel, are lost to foreign markets, weakening Europe's industrial value chain and increasing concerns for the economic sustainability of ship recycling activities across the EU.

Beyond its environmental and circular economy dimension, ship recycling is a labour-intensive industrial activity, embedded in Europe's wider maritime manufacturing ecosystem. It relies on highly skilled workers with expertise in steel cutting, hazardous material handling, engineering, logistics and environmental management. When carried out under EU standards, ship recycling can deliver high-quality industrial jobs, preserve strategic skills and contribute to resilient coastal and industrial regions. Yet, existing ship recycling yards in Europe are currently working under capacity, endangering jobs and crucial skills in the sector, while European shipowners continue to export their End-of-Life (EoL) vessels to South-Asian shipyards. This must not become a missed opportunity for the European maritime industry, its workers and coastal regions.

The coming decade will be crucial for the sector. Several studies anticipate a significant increase in the number of ships reaching EoL between 2025 and 2040. In Europe, studies show that 11 902 EU/EFTA-owned vessels will become eligible for scrapping in the next ten years. This could yield up to 12 Mt of scrap steel per year, almost 20% of EU usage of scrap steel every year. If adequately anticipated, this surge in end-of-life vessels represents a strategic industrial opportunity for Europe: to secure secondary raw materials, reinforce industrial autonomy and create sustainable jobs across the maritime value chain. If not, it risks deepening Europe's dependence on third countries while permanently losing industrial know-how and employment.

The upcoming **Industrial Maritime Strategy**, presented as a crucial framework to "enhance the competitiveness, sustainability and resilience of Europe's maritime manufacturing sector" represents a key opportunity to scale domestic EU ship recycling capacities, promote good quality jobs, ensure its economic viability and close the legal loophole that allows companies to circumvent EU legislation.

In this context, industriAll Europe and the NGO Shipbreaking Platform call on the European Commission to:

- **Recognise ship recycling as a strategic maritime industrial sector essential to achieving the EU's climate and circular economy goals.** With adequate policies strengthening material transparency and incentivising circularity, the EU-owned fleet can provide a steady flow of high quality secondary raw materials essential to the decarbonisation of key sectors such as steel or construction.

- **Close the legal loopholes in the Ship Recycling Regulation (SRR) and the Waste Shipment Regulation (WSR)** which allow shipowners to easily circumvent their obligations and continue to export hazardous waste to third countries, bypassing stricter environmental and social standards. We in particular support broadening the scope of the EU SRR to Beneficial Ownership of vessels.
- Embed strong **social conditionality** in public funding and industrial support, in order to ensure that ship recycling contributes not only to environmental objectives, but also to sustainable industrial employment and long-term skills retention in Europe.
- **Anticipate the coming wave of fleet retirement and invest in capacity for safe and environmentally sound dismantling.** Through the Maritime Industrial Strategy, the EU should support the expansion and modernisation of EU ship recycling capacity. While Evidence shows that the EU already has sufficient capacity to handle EU-flagged vessels, European ship recycling yards are at the moment not able to accommodate the broader fleet of EU-owned ships.
- **Support green job creation, and workforce development and just transition.** Ship recycling represents a crucial opportunity to revitalise industrial employment in the maritime manufacturing sector and ensure a just transition of regions historically affected by shipyard operations decline. EU support for the sector must be conditional on:
 - **High occupational health and safety standards**, including strict enforcement of EU OSH legislation, exposure prevention, proper training, and adequate protective equipment for workers handling hazardous materials;
 - **Quality employment conditions**, including stable contracts, fair wages, access to social protection and respect for collective bargaining and social dialogue;
 - **Skills development and reskilling**, building on existing shipyard and maritime competences and supporting targeted vocational training programmes to address current and future labour shortages.
- **Support for innovation in the ship recycling sector.** Existing projects such as CirclesOfLife (COL) and the Oppsirk project led by Nordic Circles in Norway demonstrate how ship recycling can evolve into a successful and prescriptive sector, setting standards and best practices for the European circular economy. The Industrial Maritime Strategy must recognize the role of such innovative projects and explicitly express support for sustainable and circular innovations in the sector, by ensuring continued funding under Horizon Europe and other innovation funds, facilitating the creation of ship recycling circular hubs at regional level, and creating partnerships between ship recyclers, steelmakers or the construction sector.

A credible European approach to ship recycling must go beyond waste management and environmental compliance alone. The EU Industrial Maritime Strategy offers a unique opportunity to anchor ship recycling in Europe as a strategic, circular and socially responsible industrial activity, combining high environmental standards with quality jobs, strong health and safety protections and long-term skills development.