

GREENPEACE

TOWARDS CLEAN SHIPS' (-BREAKING)

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I would like to express my gratitude for the opportunity to present Greenpeace's views on ship-breaking to you. I wish, in particular, to thank Mr. Davis from IMIF for the invitation and Mr. Cockroft from the ITF (International Transport Workers' Federation) to host this meeting.

Last May Greenpeace visited the shipbreaking beaches in Chittagong in Bangladesh, and this is what one of the workers said to me:

"Bangladesh as an agrarian society is not used to hazardous work like the breaking of ships. Our country and the people are not ready to deal with the hazards. The only work hazard our country always had was that you might cut your finger if you were digging the field. Workers at the shipbreaking yards think that it is common that if you cut a ship it might blast and you die. Sometimes now we observe that if a ship is gas free it is safer to cut the ship. However, it regularly happens that blasts take place and that bodies are thrown from the ships and people lose their legs or their hands. We do not know how many people die from blasts in the shipbreaking yards. It is heard that almost every day a laborer dies. It is natural, it belongs to the job. It is not new that a laborer dies. The workers have adapted it as their normal lifestyle."

What does this story and the many other small human stories tell us? I guess one thing – namely that the world in general and the shipping community in particular should be very **grateful** to the shipbreaking countries for doing what they are doing. Breaking up hundreds of the end-of-life ocean-going vessels every year and paying a **high health and environmental price** for it. During ship-breaking people get exposed to a deadly cocktail of toxic fumes and sometimes lose the ability to work. And sometimes they even lose their lives due to explosions or suffocation caused by cargo residues, for example by something apparently so innocuous as molasses coming in contact with seawater. Inevitably, the environment also gets seriously polluted. Studies show that many of the pollutants found in and around the ship-breaking yards in Asia warrant clean up action according to western standards and prevention of any further pollution is necessary.

My **first key suggestion/statement** therefore for today would be that we should from now on approach the issue of from the perspective of it being a **SERVICE** to the international community carried out by the ship-breaking nations.

A service? Yes indeed. You can look at shipbreaking in different ways. One would be that there is a need for the steel. Another one would be that it is a way to provide labour for the people. Another one would be the ultimate need for shipowners to get rid of the ships in a cheap way. The latter one is currently dominating and this is unacceptable. Shipbreaking countries should be paid for it instead of paying for it, don't you think?

My **second key statement** for today is the following: If we want to solve the problems associated with the breaking of ships (and for the IMO people being here...if we want any guideline regime to be effectively implemented): we should tackle two issues in the shipping industry:

- **transparency**... or perhaps, rather the current lack of transparency; and
- **responsibility** ... or perhaps, rather an apparent denial of full responsibility.

Resolving the first issue is a pre-condition for the second. An industry can only be responsible and held accountable for their practices if it is transparent. The outside world, our society, expects an **open attitude from companies**. This means a society in which companies disclose information on a routine basis. It means also a society in which companies take actions to prevent environmental damage. Companies increasingly include ethical considerations in their policies and are willing to report their environmental performances in annual reports. It is not only the shipping industry (or – for that matter - Greenpeace) is involved in discussions on transparency and responsibility. On the contrary, at the recent World Summit on Sustainable Development in Johannesburg, responsibility and transparency were key issues to reach the aims of sustainability set out in Rio ten years earlier. Reporting, information disclosure, transparent operation and acceptance of responsibility are **part of the future**, for every industry.

How does this phenomenon of openness in society relate to the practises in the shipping world? In Greenpeace's ship-breaking work we all too often come across cases in which companies cannot be addressed or cannot be held accountable, as we sometimes simply **do not know who the responsible persons** might be. One example of this lack of transparency is the Bolivian flagged tanker for scrap **Sandrien** that was detained in the port of Amsterdam for a long time. The owner was no more than a P.O. Box in Mauritius and the communication with the outside world was reserved to the few words spoken by lawyers. The letters we sent were never answered. In short, it was impossible to address the responsible party

Another example is the ship **GERD** (now called '**TULIP**' and re-flagged from the Norwegian flag to the flag of St Vincent). This chemical tanker left the port

of Tallinn, via Amsterdam on her way to Nigeria and then Singapore and will then probably beached on an Asian beach. The technical manager of the ships for years (V Ships) denies any responsibility and tells us to go to the owners for information... The owners however hide behind an offshore single ship company registered in Liberia. The same problem as before occurs again in that there is nobody from the company who can be contacted to raise concerns.

Greenpeace therefore strongly supports a proposal such as that put forward to the most recent meeting of the IMO's MEPC by India. This proposal highlighted the need to establish a legal system to firmly assign the responsibility on the final owner of a vessel.

Let me provide some **facts and figures** of shipbreaking.

1. There is an increase in scrap market

In 2001 between 600 and 700 vessels were scrapped at Asian yards with an aggregate tonnage of around 28 million dwt. This marks a yearly growth of 25%. There are approximately 2200 single-hull oil tankers over 5000 dwt (out of the existing 4,000 crude oil tankers and oil products tankers over 5000 dwt) that, *in addition*, will have to be taken out of service in the following years. Together these tankers have a dwt of 175 million. These figures demand an **urgent and structural approach** to the problems posed by ship-breaking. This is my **3rd key statement** for today.

2. Shipbreaking follows pathway of least resistance

Greenpeace has observed that the migration of shipbreaking follows the same global tracks as the movement of hazardous wastes around the globe – it follows the pathway of least resistance. The **poorer** a country, the **more waste** it will get. In the last 20 years, partly as a result of globalisation, the ship-breaking industry has degenerated from mechanised dock-work to primitive technology, simple hand labour. In the 1970s, ocean-going vessels were scrapped at docks in Europe, then scrapping moved to the Far East - in particular to Taiwan. Since the early 1980s, ship-breaking activities have migrated to low-pay Asian countries that have limited access to certain raw materials, have a need to offer employment to the poor that are willing to do the unhealthy, polluting and dangerous work which other countries have abandoned. In general, these countries have either insufficient or inadequately enforced legislation to effectively regulate ship-breaking activities.

Old ships contain hazardous substances such as asbestos, lead paint, heavy metals and PCBs. Most ships being dismantled today were built in the 1970s, prior to the banning of numerous hazardous materials. During the breaking of these vessels on Asian beaches toxic substances are **released** into the environment. The soil, the sea and the rivers in and around the scrapping yards

are heavily polluted. The ship-breaking workers are permanently exposed to toxic substances. They breathe in toxic fumes and asbestos dust. Not only while they are working on the vessels, but also when they are in their sleeping quarters nearby. One out of four Alang-workers in India is expected to contract cancer due to exposure to poisons in the workplace. This makes the industry amongst the most deadly in the world.

There is a Convention that deals with transboundary movements of hazardous waste ... it is the Basel Convention. **Is Basel applicable to ships?** The answer is **OF COURSE**, as also ships can become waste products (like any other product/object). And note it is the **4th key statement** of the day. For time's sake I will go through the Basel principles and how they apply for ships very quickly. (slides)

3. It is profitable to bring 'dirty' ships to Asian countries for scrapping

The last fact but by no means the least one... Greenpeace analysis shows that in the world of ship-breaking a lot of money can be made. The profit is not for the ship-breakers. In Bangladesh a young worker starts at a salary of less than U.S. 10 cents an hour. These boys work for 12 hours at a time, in day and night shifts under very poor conditions. A monthly salary is far below the money that is required to live a life outside the slums.

The profits are for the shipping industry: the ship-owners, the operators and the brokers.

The ship-breaking industry actually pays considerable amounts of money for the dismantling of ocean-going vessels. Chinese, Indian, Pakistan and Bangladeshi breakers pay between 120 and 150 US dollar per ldt. Depending upon the size of the vessel, ship-owners may extract 1 or 2 million dollars and sometimes up to 8 or 9 million-dollars per ship. Only a few weeks ago the Greek shipowner Ceres sold two of its largest oil tankers to Bangladesh and Pakistan for scrap. The shipowner received around 21 million dollars for the 2 tankers, which had not been cleaned from hazardous materials.

Between May 2001-2, shipowners received over 1 billion US dollars from sales of ships for scrap. Shipowners could not extract such high prices if ships were broken up, for example, in western countries in accordance with the relatively higher environmental and labour standards OR if the real costs for environmental and health damage were included. Indeed, in some situations they would have to pay for ship-scrapping services and management of the hazardous wastes.

The extent of damage caused by the breaking of ships to the environment, to the livelihoods of the fisherfolk and peasants that share the environment around the scrapping yards, and to the lives and health of the workers in India,

Bangladesh, China, Pakistan and Turkey remains largely **unknown** to this day. Absence of data however does not mean the absence of a problem. It just means that neither these communities, nor the workers, nor the environment are serious enough priorities to feature in the economic scheme of things. Or as a Bangladesh worker said to me “the cry of poor people does not reach far”. It is indisputable that there are considerable environmental and health costs associated with the breaking of ships. And currently the hidden costs are for them. Do you agree to pay for the hidden costs?

My 5th key statement for today is that it is unacceptable that the polluter (the shipping industry) profits from this pollution. This current reality should be changed. There is money available for ship-scrapping. We know that. That money should be used for cleaning the ship before sending it to Asia (or at least to fully investigate the possibilities and restrictions for decontamination of ships) OR alternatively assuring a safe and clean breaking process. That is the least we can do in return for the service rendered by the workers and the entrepreneurs at the shipbreaking yards in Asia.

The shipping industry should therefore no longer profit from pollution and must accept its responsibility for the hazardous materials on board ships

For several years, Greenpeace has called for the following fundamental change to the current way the scrapping business is conducted. The shipping industry, in particular the owners and operators of ships, should **accept the chain of responsibility** for the safe and clean dismantling of their ships. And they should be **held accountable** for the environmental and health damage caused by sending toxic ships to Asian beaches.

To achieve this, it is necessary that:

1. New ships are designed and built without hazardous materials and that an inventory of hazardous materials should be kept during the operational life of a ship. Also existing ships should be made gradually cleaner by replacing hazardous materials with cleaner alternatives;
2. Ships are decontaminated before exporting to Asia. Or as a Bangladesh worker formulated it: “from the standpoint of business it is the responsibility of the seller to give a toxic free commodity to the customer/consumer”; and
3. There is a fully transparent operation. That information is available and that the responsible company and owners are known. Shipping companies should no longer be able hide behind middlemen, brokers etc.

The wish for clean ships is **not merely Greenpeace’s** word. It is also broadly supported by several Asian shipbreakers, trade unions, institutions and authorities.

Unfortunately, for Asia, government positions and orders such as those of the Indian Supreme Court (that has ordered that no imports of hazardous wastes shall be allowed into India) are **meaningless** because they are unilateral and the shipping industry is global. Enforcement of such rules would only mean the death of an industry that supplies much-valued steel, and employs several thousands. Even worse, such rules only mean that the industry will be driven to less-regulated countries. Therefore a level playing field (I come back to that later) is essential.

Our demand for decontamination prior to scrapping is based on **a sound understanding of ground realities.**

Anyone who has visited Chittagong, or Alang ship-breaking yards will have to acknowledge a simple fact - despite all the expertise, the technological know-how and all the money that the European Union or the United States may boast of having, Europe or North America can never dream of achieving the recovery rates for all material currently achieved at the Asian yards.

This is **quite a service** to the shipping community. And we can definitely do much better than merely to pass on an inventory of hazardous materials (which probably never arrives in the right hands anyway) or to offer the ship-breaking countries a contextually meaningless technology to decontaminate a vessel of asbestos or remove some other hazardous material. The Asian reality shows that technology alone does not remove asbestos from a ship. People do. And herein lies the problem. The expressions “state-of-the-art” or “will meet UK standards” would be meaningless in that region.

Transferring state-of-the-art technologies from western countries to Asia are meaningless without the simultaneous transfer of western-style legislation and enforcement, development of a trained and aware workforce that knows the road to legal redress if the manufacturing facility starts spewing poisons into the workplace. Similarly communities can only be empowered if it has the necessary access to the information, laboratories and legal redress. Rather than transfer all these from western countries to Asia, it may be better to operate the state-of-the-art decontamination facilities in western countries, and let the Asian shipbreaking countries do what they do best. In this case, recycling.

After years of technological tinkering and assertions that the technology of dealing with hazardous asbestos has been mastered, we have bans on the use of asbestos in countries that claim to be the most technologically advanced. In other words, despite their claims to superior technology and their pride in their superbly efficient regulatory systems, these countries have felt that it would be safer, after all, to ban the use of asbestos than to deal with it.

Every which way one looks at it, proposals to decontaminate the ships in Asia are threatening to the health and well being of the environment and workers there.

There might be a legitimate concern regarding the ability of the ship to sail on its own steam after the asbestos is removed. But this can be addressed. What is needed is the honest acknowledgement that decontamination in Asia, from the point of view of the environment and the workers' health, is not viable. How much decontamination, where, how to decontaminate, how expensive and who pays are issues that can be decided. **The 6th key statement:** we should work towards the delivery of clean ships that are also certified "gas-free for hot-works" (in order to save lives) when sent to the shipbreaking yard.

Greenpeace brought the issue of ship breaking to international fora and asked for immediate action and urged the international community to move forward with a great sense of urgency. During this exercise we asked the international community: what should be done to address this problem?

We have seen that ship breakers, governments and other stakeholders involved agree that there is a problem and show willingness to change the sad reality and move forward to the protection of the workers and environment. As a result, a number of actions have taken place.

- The **UNEP** answer for example was to engage on the development of guidelines for the environmentally sound management of shipdismantling. The Conference of the Parties to UNEP's Basel Convention will consider adoption of these guidelines at the end of the year.
- The **IMO** is currently working towards guidelines on ship-recycling with the intention of adopting these towards the end of 2003.
- In **India**, for example, we see ship-breakers and government agencies, notably the Gujarat Maritime Board, taking steps to improve conditions at scrapping yards. Also in **China**, ship-breakers and government show great willingness to continue improving conditions.
- The **shipping industry**, under the co-ordination of ICS, developed a Code of Practice on the preparation of ships before scrapping. This Code was published in 2001. BIMCO recently finished a model scrap contract for vessels being sold for demolition - called "Demolishcon" – which takes into account the criteria contained in the industry's code.
- We have seen the **International Labour Organisation** take up its responsibility of protecting labour rights and improving working conditions, by initiating the development of 'safe work' protocols for the shipbreaking industry.
- **Several countries** have acted on the illegal trade of hazardous materials on board ships (For example, the Netherlands detained the chemical tanker 'Sandrien'. Based on the Basel regime. Turkey refused the 'Sea Beirut' that tested positive for the presence of asbestos. Based on the Basel regime. And yesterday Belgium agreed to make sure that the Greek owned car carrier 'Silver Ray' has to be cleaned before leaving for scrapping on an Asian beach. Based on the Basel regime.

We are pleased with these and other initiatives and developments but this is not enough to really change the situation at the Asian beaches where scrapping is taking place. The reality of today is that **every day** ships containing asbestos, PCBs and oil residues sail towards the beaches and yards in Asia to be scrapped under miserable conditions.

Greenpeace considers the Industry Code on Shiprecycling and also the BIMCO model scrap contract good steps but steps which, on their own, are still insufficient. How is it possible to ensure that these codes are actually applied in practice and verified by the stakeholders in the selling process - the ship-owners, the brokers, the cash buyers? Voluntary industry codes on recycling of ships or even non-binding IMO guidelines are quite simply insufficient. They do not create legal obligations and do not establish a “best practise” requirement as a matter of law. “Demolishcon” is not a contract but merely a model whose provisions can be modified at will. There is no doubt that this will happen as there is a lot of money involved. Greenpeace can live with a code of practise provided that it functions as an interim measure while the necessary international legal instruments are drawn up and endorsed and provided the code is further developed (as proposed in the Code itself).

There is a lot of competition between the ship-breaking countries and a lot of money to be earned for shipowners. With the **absence of a level playing field** (where the same rules apply to every country and every ship-owner) a ship-breaking country can hardly afford to improve conditions drastically and the majority of ship-owners will choose for the cheapest option. Ship-breaking countries will lose business and the business will move to other even less regulated countries. I arrive at my 7th - and most important - **key statement** for today. Greenpeace believes that, due to the international nature of shipping and the need to avoid distortion in the global shipping and ship scrapping market, actions to control scrapping of ships are **most effectively** accomplished through a global, legally binding instrument. As IMO has still not decided to have a legal binding instrument, we have unfortunately to continue to pursue these problems from today and tomorrow with all means at our disposal in order to save lives and to prevent a further degradation of the environment. Greenpeace encourages IMIF to support our call for a global, legally binding instrument.

To conclude.

Greenpeace has put our wishes forward to international fora. But we also address the shipping companies directly. Every shipowner has its own responsibility for the end of life ships. Since the beginning of this year Greenpeace has asked shipping companies to engage in the solution of the shipbreaking problems. We also asked them to sign a clean ship declaration.

This declaration can be found on our website:

<http://www.greenpeaceweb.org/shipbreak/>.

At this web-site you also find a list of over 50 (currently 52) owners of old ships which we believe are likely to be sent for scrapping in the near future. Greenpeace has addressed these owners individually to take action and engage in the solution of the problem. As we are in no way satisfied with the few answers we have received from these companies, we are now working on direct sensitization of the shipping industry to the issue through awareness raising. One – perhaps light-hearted – way of doing this, is by distributing specially-made “ship-breaking” decks of playing cards to crews and captains of ships with the names and flags of the 52 ships. We are requesting them to ask their companies to take full responsibility for their end-of-life vessels.

In summary:

- 1) shipbreaking should be approached as a SERVICE to the international community;
- 2) the shipping industry should operate transparently, be accountable and accept responsibility/accountability for end of life vessels;
- 3) the increase in scrap market requires an urgent and structural approach;
- 4) the Basel principles are applicable to ships; so whatever guidelines or conventions IMO will develop they have to be consistent with the letter and spirit of the Basel Convention;
- 5) the shipping industry should no longer profit from pollution and accepts its responsibility for the hazardous materials on board ships;
- 6) ships should be delivered clean and certified gas free for hot works; and
- 7) there is a need for a global, legally binding instrument.

I have no doubts that the shipping industry will positively engage in the discussions and will help to convert the shipbreaking industry into a shiprecycling industry. But time is ticking, there is no time to wait. We have to act now. Thank you.

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