



Special focus on ship recycling

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The ship recycling industry has been known for its poor safety culture, environmental pollution and hazardous waste. The EU Regulation on Ship Recycling (No.1257/2013) entered into force on 30 December 2013 and introduces controls to ships and ship recycling facilities internationally in an effort to improve working conditions and minimise impact on human health and the environment.

[James Clayton](#), Partner and Head of the Commercial and Finance, acted as moderator of a panel of high level sector experts, comprising Philip Arcoumanis, Vice President at Maritime Asset Partners, Darren Lepper, Director at Clarksons and Ehud Bar- Lev, Global Manager for Inspection & Assessment Services, Lloyds Register. The result was a 'deep dive' into recent trends as the industry makes efforts to comply with the new regulations and an exploration of the way shipowners and financial institutions are responding.



James also offered an introduction to trends in green ship recycling, including the regulations the disposal of waste and those dealing with ships themselves (for a summary of considerations, see also [HERE](#)).

Commenting on EU requirements that all Member State flag vessels can only be disposed of using EU-approved ship recycling facilities, he pointed out that 38 of the 45 yards approved on the "European list" are in the EU Europe, Norway and the UK, with six in Turkey, and one yard in the US. No yards in the Indian subcontinent are so recognized, even though some of these are approved under the Hong Kong Convention. The position had consequences for yard capacity and cost, but also for liabilities in cases where vessel flags were changed in advance of disposal.

In addition to an exploration of conditions in the main ship recycling countries, discussions covered pressures on the container market to find an outlet for older ships in light of massive new capacity coming on stream 2023-2024, although consensus suggested that this would not fully emerge as an issue for recycling yard capacity for around 12 months.

For queries and further information, please speak to your usual contacts at CJC.

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