

Green Paper on better ship dismantling

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PURPOSE: the presentation of a Green Paper on better ship dismantling.

CONTENT: both the Council and the European Parliament recognise the need to enforce a more credible policy on ship dismantling. The Commission already expressed its views on ship dismantling in its June 2006 Green Paper on maritime policy (see [INI/2006/2299](#)) and the European Parliament and NGOs also called for measures to be taken at European level.

Ship breaking is a dangerous activity and the cost for human health and the environment are high. For example, every year, two-thirds of all ships dismantled (between 200 and 600) are dismantled on beaches and river banks on the Indian sub-continent. Most of this is done in Bangladesh which has few sites that are able to contain or prevent pollution (such as oil sludge and asbestos leakages) from seeping into the water and soil. Few have waste reception facilities and the treatment of waste rarely conforms to even minimum environmental standards. Between 2001 and 2003, 14% of the ships that went for scrapping in the Indian sub-continent fly the flags of an EU Member State and 18% the flags of states which acceded to the EU in 2004.

Based on these facts, this Green Paper seeks to come up with some fresh ideas on ship dismantling. Its main purpose is to secure a more effective environmental and health strategy when dismantling ships. It does not seek to find answers to an artificial return of ship recycling business to the EU. The ultimate aim of the EU, as expressed through this Green Paper, is to ensure that a minimum level of environmental and health standards are observed world wide.

In order to arrive at some answers, this Green Paper gives a comprehensive and detailed account of factors that currently influence the debate. It examines, for example, the current legislative framework that governs ship dismantling – mostly the ban on exporting hazardous waste; the economics of ship dismantling; environmental and social impacts; and the current international state of play.

The paper then goes on to assess what options exist to improve the EU's management of ship dismantling. One of these options includes better enforcement of EU waste shipment law. On an international level, the report notes, binding international standards should be supported in order to create a global level playing field. The IMO is the most relevant international forum in which to discuss these issues and the Commission strongly supports the future international Ship Recycling Convention.

One further option is to strengthen the EU's ship dismantling capacity. Current market conditions make it impossible for EU operators to compete with South Asian yards, which can offer much lower costs and higher metal prices. The report, therefore, considers whether or not direct financial support should be given to clean ship dismantling facilities in the EU or to ship-owners who send their vessels to "green" yards. Current state aid rules on such forms of support are, for the moment, limited.

Other measures include: offering technical assistance and the transfer of technology and best practices to recycling states, encouraging voluntary action and the setting up of a ship dismantling fund. On the latter point, a sustainable funding system could be organised on a voluntary basis, with commitments from the shipping industry. The IMO would be well positioned to manage such a fund.

To conclude, the Commission asks the Member States, industry and stakeholders a number of questions including, *inter alia*:

- How can EU legislation on waste be better enforced?
- Would improved guidance on waste shipment rules and definitions help to improve the implementation of existing provisions?
- What is the best approach to steer EU negotiations on the IMO's Ship Recycling Convention in order to improve ship dismantling globally?
- How can the EU ensure that European ships are dismantled in a safe and environmentally sound manner?
- How should the EU secure sustainable funding for clean ship dismantling in accordance with the polluter pays principle?