

## ECSCA POSITION PAPER ON THE PROPOSAL FOR A NEW REGULATION ON SHIPMENTS OF WASTE

A legal uncertainty has emerged over the past years on whether ship recycling facilities fully complying with the stringent standards of the EU Ship Recycling Regulation could be included in the European List of ship recycling facilities if they are located in non-OECD countries. ECSCA welcomes the [Commission's proposal for a new regulation on shipments of waste](#), which was published in November 2021, which would allow working with any ship recycling facilities complying with the EU standards. ECSCA welcomes the efforts of the Commission and Member States to ensure safe and environmentally sound ship recycling practices and standards. The European shipping industry is committed to improving the conditions of recycling operation in order to ensure that ships are recycled in a responsible manner without risk to life, health or the environment.

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### ECSCA supports a clear legal framework

The [EU Ship Recycling Regulation](#) (EU SRR) transposes into EU law the requirements of the IMO [Hong Kong Convention](#) (HKC) and

aims to encourage third country ship recycling facilities to level up and comply with the EU standards. The EU SRR applies to commercial ships flying the flag of a EU Member State allowing the use of non-OECD facilities, if the recycling takes place in facilities included on the so-called 'European List of ship recycling facilities' (the [EU list of approved facilities](#)).

A number of facilities located outside OECD countries have made substantial progress and have applied to the European Commission, notably facilities located in Alang in India. The progress has been recognised by the Commission, which has assessed the applications and has made [recommendations](#) on the issues that should be addressed before these facilities are included into the EU list.

However, after the so-called Basel Convention "Ban Amendment" entered into force in December 2019, a legal uncertainty emerged on whether ship recycling facilities located in non-OECD countries could ever be admitted to the EU list, even if they fully comply with the standards and requirements of the EU SRR. This created uncertainties as to where ship recycling can take place.

**The new proposal on shipments of waste clarifies the legal framework applicable to the recycling of EU flagged ships when they become waste outside the EU. It confirms that they can be recycled in recycling facilities located outside the OECD, if they meet the requirements of the EU SRR and are added to the EU list.**

The adoption of the proposed amendment to the WSR, which also includes amendment of the SRR, is of paramount importance as it addresses the mentioned legal uncertainties. If such uncertainty would carry on, it could seriously jeopardize the progress made in a number



ECSCA represents 19 national shipowners' associations based in the EU and Norway. European shipowners control 39.5% of the global commercial fleet, contribute 149 billion euros per year to the EU GDP and provide 2 million Europeans with careers both on board and ashore. ECSCA strives for a regulatory environment that fosters the international competitiveness of European shipping, to the benefit of the EU.

of ship recycling facilities in Alang, which are close to be accepted in the EU list, and could discourage further improvements in other facilities. It could also undermine one of the main objectives of EU SRR, i.e. to encourage progress in third countries, level up the standards and improve the working and environmental conditions in these facilities.

**The EU should not embrace or cave in to protectionist measures that will cut off facilities making substantial progress from the ship recycling market.**

### **ECSA supports the possibility to add non-OECD facilities on the EU SRR list**

While there are no recycling facilities located outside the OECD on the EU list yet, ECSA believes that it is of the uttermost importance that the possibility to add them is maintained. The future inclusion of ship recycling facilities located outside the OECD in the EU list will increase the total capacity for recycling, which is currently not sufficient in particular for large vessels<sup>1</sup>. The current EU list mainly contains European ship recycling facilities, which cover only a fraction of the capacity needed to recycle all end-of-life EU-flagged vessels worldwide. In addition, the approved facilities are mostly working as maintenance and repair yards or are used for the recycling of inland navigation vessels and fishing vessels, lowering the available capacity for sea-going EU-flagged vessels even further. Finally, the majority of the EU facilities are limited in terms of length and draft of the vessel they can handle. The non-EU ship recycling facilities, located mainly in Turkey, offer only limited additional capacity and are currently entirely full recycling mainly non-EU flagged cruise ships.

<sup>1</sup> The 2020 [BIMCO report](#) on the European list of ship recycling facilities showed that these facilities do not have the capacity required for the large EU-flagged fleet.

Upgrading the environmental and health standards globally should be encouraged and incentivised. In order for the EU flagged fleet to be recycled in a safe and environmentally sound manner, the establishment of an European list with adequate capacity is therefore urgently needed which:

- contains facilities that meet the requirements of the EU Ship Recycling Regulation;
- includes facilities which can recycle large sea-going vessels;
- is geographically well-balanced, adapted to the needs of an industry operating globally;
- guarantees sufficient recycling capacity and is reflective of the market.

The prospect of being included in the EU list will indeed incentivise them to improve their standards to meet the EU requirements. ECSA encourages the EU to keep on assessing the ship recycling facilities located outside the OECD, to check their progress and to add them to the EU list as soon as they comply with the EU conditions.

ECSA calls for a transparent and positive process that encourages ship recycling facilities in India and other main recycling states to apply for inclusion in the EU list and to make such improvements as are required in their practices to meet the EU requirements. **Including those facilities in the EU list will not only incentivise other facilities in the region to follow suit, but will also encourage their authorities to ratify the Hong Kong Convention.**

**ECSA thus calls on the EU policy makers to support the Commission's proposed amendments to the Ship Recycling Regulation in the revision of the regulation on shipments of waste.**

#### **Further information:**

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