

Corporate Crime & State Responsibility

The Case of Ship Breaking

□ **S. Rizwana Hasan**

□ **Chief Executive, BELA**

□ **UN TNC - Geneva**

□ **October 2016**



- The business has been on a geographical move
- A significant share of the ageing fleet ready for retirement was processed in Europe and in the US up until the early 70s
- Subsequently, Taiwan and South Korea became receivers
- Today vast majority are scrapped in non-facilitated beaches of South Asia where labour is readily available at low cost and enforcement of laws is weak
- **Most Dangerous(ILO)**

-
- **Ship Recycling** vs. **Ship Breaking**
 - **On the BEACH**
 - **In the Open**
 - **No Containing Facility**
 - **No Structure**
 - **Employment; Supply of Steel**
 - **Poverty Eradication**

- Each year, approximately 1000 ocean-going vessels are dismantled
- More than 70% of these is simply ramped up on a tidal beach in South Asia
- Oils, toxic paint chips, and dust pollute the sea
- Hazardous material such as asbestos and heavy metals poison the workers
- Child labour is a common phenomenon
- Death and grievous injuries are regular incidences

- **Where do these ships come from?**
- **Germany, Denmark, Bulgaria, Poland, Belgium, Greece, Italy, UK, Cyprus, Netherlands, UK, Malta**

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□ **More than 893 ships were imported from 2012 –2015 carrying flags of convenience (FoC)**

Comoros – 40

Panama – 207

India-10

Tuvalu – 26

Liberia – 50

Korea-1

Bahamas – 13

Moldova – 1

Sierra Leone –15

USA – 1

Malaysia – 1

Moroni-3

Greece-3

UK-7

Antigua Harbuda-2

Philippine-22

Beliz-2

Diminica-5

Vincent & Granadines-13

Cyprus (EU) – 11

St. Kitts & Nevis – 54

Thai – 34

China – 1

Singapore-14

Malta (EU) – 19

Bangladesh – 36

Russia-17

Cambodia – 10

Hong Kong – 22

Vietnum-4

Palau-3

Marshall Island-22

Malaysia-5

Kiribati-2

Tanzania-2

British-1

Monrivia-1

South Korea-17

Bulgaria-2

Cook Island-7

Tonga-1

Taiwan-1

Vanuatu-1

Barmuda-4

Equatorial Guinea-1

Turkey-2

Saudiarabia-1

Palau-3

Isle of Man-2

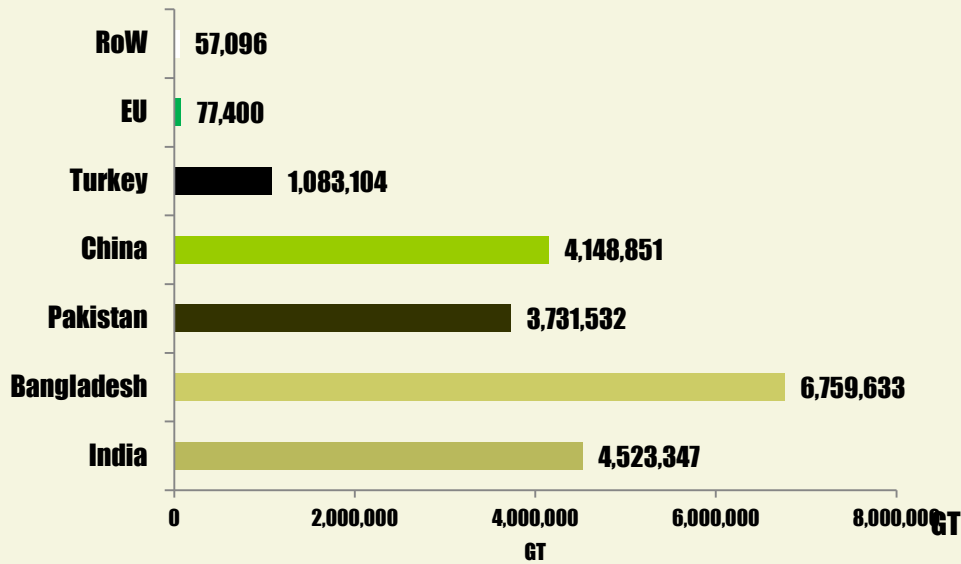
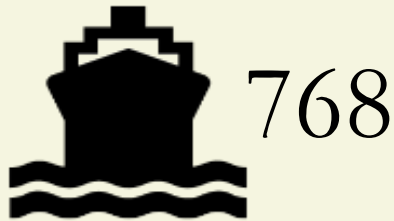
Niue-2

Papua Neu Guinea-2

Bulgaria-2

Unknown-138

2015 Facts & Figures



2015 Facts & Figures

VESSELS BROKEN ON THE BEACH:



- Greece (76 ships)
- China (55 ships)
- South Korea (27 ships)
- Russia (24 ships)



- Panama (91)
- Saint Kitts and Nevis (49)
- Liberia (46)
- Comoros (25)





The Toxic Industry on the Beach

SA is dumping ground



Hazardous material	Unit	Bangladesh
Asbestos	t	79,000
PCBs (mainly cables)	t	240,000
ODS (mainly polyurethane foam)	t	210,000
Paints (metals, tributyltin (TBT) and PCBs)	t	69,200
Heavy metals	t	678
Waste liquid organic	m3	1,978,000
Miscellaneous (mainly sewage)	m3	107,000
Waste liquids inorganic (acids)	t	775
Reusable liquids organics	t	675,000



Source: *The World Bank, 2010*

Ship Breaking and Recycling Industry in Bangladesh and Pakistan





International Legal Regime

- **Voluntary guidelines did not work**
- **Basel Convention (1989)**
- **Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (2009)**
- **Yet to enter into force; does not ban beaching; possible to circumvent and green wash (Sree Ram Yard, Alang); does not address FoC; puts the fox in charge of chicken; cash buyers not addressed; watered down by the corporations**
- **EU regulation (provides for listing of yards where EU ships can go; requires built structures; allows independent verification and third party request for action against non-compliance; leaves scope for financial incentive)**
- **Yet to enter into force; does not address FoC**

Judgments

- **Closure of ship breaking yards without clearance**
- **Cannot continue on open beaches**
- **Ships imported have to be decontaminated outside Bangladesh**
- **Framing of Rules (applicable national laws and the Basel Convention)**
- **Setting up of High Level Technical Committee to monitor and oversee implementation of court orders**

Circumvented: Different authority with same signature

PROVIDENCE SHIPPING CORPORATION

TO WHOM IT MAY CONCERN

March 11th 2011

Re : GOOD NEWS (IMO 8001787)

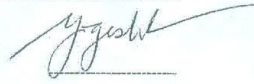
Based on the information available, we hereby confirm that the subject vessel has not carried any hazardous cargo nor Nuclear items on board in the past and presently is not carrying hazardous cargo on board.

	<u>Name</u>	<u>Quantity</u>
1.	Asbestos	Nil (As per available information)
2.	PCB	Nil (As per available information)
3.	PVC	Nil (As per available information)
4.	Cargo	Nil
5.	Stores	Nil (As per available information)
6.	Further vessel will have following quantities of Bunker	
	a) G.O :	To be ascertained upon arrival but estimated quantity – 32.00 MT
	b) F.O :	To be ascertained upon arrival but estimated quantity – 76.00 MT
	c) L.O :	To be ascertained upon arrival but estimated quantity – 19,110 Ltrs
7.	Others chemicals	Nil (As per available information)
8.	Noxious substances	Nil (As per available information)

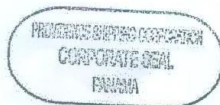
To best of our knowledge said vessel has not been targeted by any authority for violation of provisions of MARPOL or any Non – Governmental Organization in this respect and vessel is not amongst the list of 50 vessels highlighted by Greenpeace for carrying excessive Hazardous materials on board.

Yours faithfully

PROVIDENCE SHIPPING CORPORATION.



Authorized Signatory



55th Street, El Cangrejo
Building Renaissance 15B
Panama City
Republic of Panama

DUKE CONSULTING LIMITED

Wickhams Cay I, Road Town, Tortola, British Virgin Islands

TO WHOM IT MAY CONCERN

March 11th 2011

Re : MATRIX (IMO 7926019)

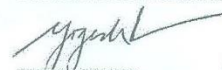
Based on the information available, we hereby confirm that the subject vessel has not carried any hazardous cargo nor Nuclear items on board in the past and presently is not carrying hazardous cargo on board.

	<u>Name</u>	<u>Quantity</u>
1.	Asbestos	Nil (As per available information)
2.	PCB	Nil (As per available information)
3.	PVC	Nil (As per available information)
4.	Cargo	Nil
5.	Stores	Nil (As per available information)
6.	Further vessel will have following quantities of Bunker	
	a) G.O :	To be ascertained upon arrival but estimated quantity – 50.00 MT
	b) F.O :	To be ascertained upon arrival but estimated quantity – 75.00 MT
	c) L.O :	To be ascertained upon arrival but estimated quantity – 11,330 Ltrs
7.	Others chemicals	Nil (As per available information)
8.	Noxious substances	Nil (As per available information)

To best of our knowledge said vessel has not been targeted by any authority for violation of provisions of MARPOL or any Non – Governmental Organization in this respect and vessel is not amongst the list of 50 vessels highlighted by Greenpeace for carrying excessive Hazardous materials on board.

Yours faithfully


DUKE CONSULTING LIMITED.



Authorized Signatory



One authority using different letterheads



DEMO INTERNATIONAL LTD.
 5, SHENTON WAY,
 #05-02 THE BUILDING,
 SINGAPORE 068808
 TEL: 62270117 FAX: 62245704


08th March, 2011

To,

Whom it may Concern

RE: HAZARDOUS FREE CARGO CERTIFICATE for CHAND - IMO NO.8017827

We hereby state that the vessel CHAND IMO NO.8017827 has not carried any nuclear items or any hazardous cargo in the past and is not presently carrying any of the above type cargo. It has only been carrying iron ore.

Yours faithfully,
 For and on behalf of
DEMO INTERNATIONAL LIMITED

 Authorised Signatory(s)

Rajesh Khasnavis
 DIRECTOR

DEMO INTERNATIONAL LTD.
 C/o. 5, Shenton Way, Hex 31-02, UIC Building,
 Singapore - 068808
 +0065 62270117 / Fax: 0065 62245704


20th May, 2011

RE: King Fortune Ex. Fadel Arab



WE HEREBY CONFIRM THAT THE SUBJECT VESSEL HAD NOT CARRIED ANY HAZARDOUS CARGO NOR NUCLEAR ITEMS ON BOARD IN THE PAST AND PRESENTLY IS NOT CARRYING FOLLOWING HAZARDOUS CARGO ON BOARD

NAME	Quantity
1. Asbestos	MINIMAL
2. PCB	MINIMAL
3. PVC	VERY MINIMAL QTY
4. Cargo	NIL
5. Stores	NIL
6. Bunker	
a) D.O.	TO BE ASCERTAINED UPON ARRIVAL BUT SHOULD NOT BE MORE THAN ABOUT 25 TONS
b) F. O	ABOUT 50 TONS
c) L. O	Minimal Quantity
7. Others chemicals	MINIMAL
8. Noxious substances	MINIMAL

MOREOVER THIS VESSEL IS NOT AMONGT THE LIST OF 50 VESSELS HIGHLIGHTED BY GREEN PEACE FOR CARRYING EXCESSIVE HAZARDOUS MATERIALS ON BOARD.

Yours faithfully
 For and on behalf of
DEMO INTERNATIONAL LIMITED

 Authorised Signatory(s)

(Sunil Tibrewal)

Different authority with same address (Wickhams Cay 1, Road Town, Tortola, British Virgin Islands)

J JOPLIN OVERSEAS INVESTMENTS LTD.

TO WHOM IT MAY CONCERN

APRIL 24th 2011

Re : AKHTAR (IMO : 8330334)


Based on the information available, we hereby confirm that the subject vessel has not carried any hazardous cargo nor Nuclear items on board in the past and presently is not carrying hazardous cargo on board.

Name	Quantity
1. Asbestos	Nil (As per available information)
2. PCB	Nil (As per available information)
3. PVC	Nil (As per available information)
4. Cargo	Nil
5. Stores	Nil (As per available information)
6. Further vessel will have following quantities of Bunker	
a) G.O :	To be ascertained upon arrival but estimated quantity – 12.00 MT
b) F.O :	To be ascertained upon arrival but estimated quantity – 40.00 MT
c) L.O :	To be ascertained upon arrival but estimated quantity – 5,000 Ltrs
7. Others chemicals	Nil (As per available information)
8. Noxious substances	Nil (As per available information)


To best of our knowledge said vessel has not been targeted by any authority for violation of provisions of MARPOL or any Non – Governmental Organization in this respect and vessel is not amongst the list of 50 vessels highlighted by Greenpeace for carrying excessive Hazardous materials on board.

Yours faithfully

JOPLIN-OVERSEAS INVESTMENTS LTD.



Authorized Signatory



Wickhams Cay 1
Road Town
Tortola, British Virgin Islands

Wickhams Cay 1
Road Town, Tortola, British Virgin Islands

KARNAK HOLDINGS LIMITED

TO WHOM IT MAY CONCERN

March 9th 2011

Re : MSC ALPANA (IMO 7711567)


Based on the information available, we hereby confirm that the subject vessel has not carried any hazardous cargo nor Nuclear items on board in the past and presently is not carrying hazardous cargo on board.

Name	Quantity
1. Asbestos	Nil (As per available information)
2. PCB	Nil (As per available information)
3. PVC	Nil (As per available information)
4. Cargo	Nil
5. Stores	Nil (As per available information)
6. Further vessel will have following quantities of Bunker	
a) G.O :	To be ascertained upon arrival but estimated quantity – 40.00 MT
b) F.O :	To be ascertained upon arrival but estimated quantity – 74.00 MT
c) L.O :	To be ascertained upon arrival but estimated quantity – 15,920 Ltrs
7. Others chemicals	Nil (As per available information)
8. Noxious substances	Nil (As per available information)


To best of our knowledge said vessel has not been targeted by any authority for violation of provisions of MARPOL or any Non – Governmental Organization in this respect and vessel is not amongst the list of 50 vessels highlighted by Greenpeace for carrying excessive Hazardous materials on board.

Yours faithfully

KARNAK HOLDINGS LIMITED



Authorized Signatory



Labour Conditions (deaths 103; injuries 131)



Sources: National Geographic, NGO Ship Breaking Platform, FIDH

- **Binding;** no voluntary guideline
- The conditions in shipbreaking yards on the beaches in South Asia would never be allowed in ship owning countries in Europe, North America or East Asia **(No Double Standard)**
- Ship owners earn millions of dollars with every vessel beached and the true costs of safe and clean ship recycling are externalised to poorer communities and their environment **(No Externalization of Costs)**
- **Regulations for the entire chain**
- **Polluter Pays Principle (No Green Washing)**
- **Access to 'effective justice' for the victims (Institutional-no forum shopping, Technical, Financial barriers to be removed)**



**Thank you for your
attention!**