

## OUR VIEW

We welcome the the Hong Kong Convention as ship recycling shall be subject to clear and ambitious international regulation.

Ultimately, environmental protection and worker safety at recycling facilities can only be ensured through global standards such as the Hong Kong Convention.

While the EU Ship Recycling Regulation does not apply globally, it has been a valuable interim step. Including South Asian recycling facilities on the EU list of approved facilities would contribute to improving conditions in the regions where most vessels are recycled.

# Ship Recycling

On a global basis, 350-500 ships are recycled annually. About 75 pct. of these ships are recycled in South Asia (Bangladesh, India, and Pakistan), where environmental protection and safe working conditions historically have not been sufficiently prioritized. Danish Shipping finds high standards imperative within the recycling industry no matter where it takes place.



Inside bulk carrier cargo hold

## Ship Recycling as a Catalyst for the Green Transition:

Responsible ship recycling is essential to ensure the safe and environmentally sound removal of end-of-life vessels from the global fleet, protecting both people and nature during the recycling. It is also a key enabler of the shipping industry's green transition, facilitating the renewal of the fleet with more energy-efficient and alternative-fuel vessels and enhancing circularity.

## The Hong Kong Convention

In June 2025 the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships came into force. The convention ensures that recycling facilities comply with international standards, and that they can handle hazardous materials safely. The facilities must be approved by the local authorities.

The Convention was adopted in 2009, and it is expected that the IMO will initiate a revision once sufficient experience has been gained from its initial implementation, in order to reflect the latest innovations in the industry.

## The EU Ship Recycling Regulation

The EU Ship Recycling Regulation (EU SRR) was adopted in December 2013. Based on the requirements of the Hong Kong Convention, the Regulation mandates that EU-flagged ships may only be dismantled at EU-approved recycling facilities.

## Supporting High-Standard Ship Recycling Facilities

Alang, India, is a major ship recycling area. Many of the most advanced facilities have invested in methods and equipment ensuring that the vessel is decommissioned without steel blocks touching the intertidal zone. These facilities are now competing on high social and environmental standards and are inspiring other facility owners in the area. This positive development should be supported, and inclusion on the EU list of approved ship recycling facilities could be a perfect instrument to incentivize these improvements. It will be a missed opportunity if the EU fails to recognise the work done by these facilities.

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The majority of vessels are recycled in South Asia, specifically in India, Bangladesh, and Pakistan.

Photo credit: Y.S. Investments, Plot 59, Alang, India.

## FACTS

- Typically, a ship's life expectancy is 20-30 years and most Danish ships are sold for further operation, when they reach 10-15 years of age.
- In total, members of Danish Shipping recycle fewer than 10 ships annually.
- A recycled merchant ship has a market value of several million USD due to the large amount of reusable steel and other components in the vessel.

## DANISH SHIPPING'S RECYCLING POLICY

### Selling vessels

Danish Shipping recommends that members carefully evaluate whether it is likely that a sold off vessel will be recycled shortly after the change of ownership. If the likelihood is high, the owner should carefully assess the potential buyer prior to the sale and obtain assurance from the new owner guaranteeing responsible recycling of the vessel. This could for instance be done via a clause in the sales contract stating that the new owner is obliged to ensure recycling in compliance with the Hong Kong Convention, in case the vessel is recycled shortly after takeover.

### Recycling vessels

Danish Shipping actively engages with members who wish to recycle ships, and the association encourages its members to ensure that the requirements of the Hong Kong Convention or the EU SRR, as appropriate, are followed as well as some additional measures:

- Ensuring that an inventory of hazardous materials (IHM) is available and up to date on the vessel prior to recycling
- Selecting a facility based on one or more site audits
- Utilizing the international shipping association BIMCO's Recyclecon - a standard contract for the sale of vessels for green recycling, when entering an agreement with the recycling facility
- Establishing a site team overseeing the recycling of the vessel or conducting audits during the recycling process.