



## European Shipowners | ECSA position paper on ship recycling

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### Executive Summary

European Shipowners | ECSA supports:

- A clear and unique legal framework for ship recycling globally;
- Considering a revision of the HKC requirements instead of a revision of the EU Ship Recycling Regulation to ensure uniform global standards for safe and environmentally sound ship recycling;
- The addition of non-OECD ship recycling facilities on the EU SRR list as soon as they meet the EU SRR requirements.

### Introduction

European Shipowners | ECSA (ES|ECSA) is committed to promoting safe, environmentally sound, and responsible ship recycling practices. **ES|ECSA welcomes the entry into force of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (HKC) in June 2025.** This represents a major breakthrough in ensuring high-level environmental and safety standards, as well as creating a global level playing field for ship recycling.

For the first time, a globally binding standard is in place, ensuring that ships are dismantled in a way that protects both human health and the environment. From now on, the parties to the HKC will be required to ensure that ship recycling facilities under their jurisdiction and ships entitled to fly their flag, comply with the Convention.

As the HKC enters into force, it is vital that attention remains focused, not only on having more International Maritime Organization (IMO) Member States ratify the Convention, but also on taking stock of developments since its adoption in 2009 and **strengthening its international standards**. This is particularly important as more than 95% of all global ship recycling takes place in just four countries – Bangladesh, India, Pakistan and Türkiye – which are already parties to the HKC.

The EU Ship Recycling Regulation (EU SRR) could be used as a benchmark for strengthening these standards. In this context, ES|ECSA welcomes the EU SRR evaluation report<sup>1</sup>, which underscores the importance of strengthening the HKC, and calls on the Commission to encourage EU Member States to ratify the HKC.

Furthermore, it is important to **provide a clear legal framework for ship recycling**, instead of having two parallel frameworks with differing standards for ship recycling, which create legal uncertainty for shipowners. Levelling up the playing field and ensuring high quality standards internationally, regardless of location, is essential to uphold safety and environmental protection and to increase the capacity of ship recycling globally.

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<sup>1</sup> [COM\(2025\) 52 final, February 2025: Commission Report on the application of the EU SRR](#) & [SWD\(2025\) 40 final, February 2025: Accompanying document](#)



**Therefore, ES|ECSA urges the Commission to work actively on the international level to improve HKC.**

The EU SRR was adopted to facilitate the ratification of HKC in the EU. It paved the way for safe and environmentally sound ship recycling globally, without providing the needed level playing field at international level. Once HKC, already in force, is strengthened, the EU SRR will result in double regulation, which should be avoided. **Therefore, ES|ECSA calls on the Commission to repeal the EU SRR once HKC is strengthened.**

Should an EU financial incentive scheme still be considered by the Commission despite its ineffectiveness, ES|ECSA reiterates that it is unfit for purpose and incompatible with both EU and international law. ES|ECSA believes that the entry into force of the HKC renders this potential Ship Recycling Licence (SRL) redundant.

### **Support for a revised Hong Kong Convention**

ES|ECSA welcomes the entry into force of HKC, which will provide for **a global level playing field**. In this regard, a revision of HKC would ensure high global standards of safety and environmental protection. To ensure uniform standards on ship recycling globally, ES|ECSA urges the European Commission to **work towards strengthening HKC requirements** rather than introducing additional criteria in EU SRR. The EU SRR contains provisions which are similar, but not necessarily identical to the HKC. Enhancing the HKC, which is the relevant and preferred legal framework, will ensure uniform global standards, preventing a fragmented regulatory landscape.

**Possible ways for revision of HKC** include, among others, aligning the Inventory of Hazardous Materials (IHM) list of HKC with that of EU SRR, as EU SRR requires the identification of two additional hazardous materials. Furthermore, HKC may address medical treatment and facilities in a clearer manner. While medical treatment and trauma centres are mentioned in the HKC Guidelines, its provisions are not as detailed as in EU SRR. This issue should also be dealt with under the International Labour Convention (ILO) in relation to recycling yards located in third non-EU countries. Upgrading these recycling yards in terms of available medical treatment and facilities would also facilitate their compliance with EU SRR requirements.

With respect to ships entitled to fly the flag of non-Parties to the HKC, Parties shall apply the HKC requirements as necessary to ensure they do not receive more favourable treatment than ships under the jurisdiction of HKC Parties.



### Summary of the HKC provisions

After the entry into force of the HKC, ship recycling facilities:

- must be authorised by their government and obtain a Document of Authorisation to conduct Ship Recycling (DASR), valid for up to 5 years;
- must prepare a Ship Recycling Facility Plan (SRFP), to be adopted by the board of the recycling company, detailing how they will implement HKC requirements addressing worker safety, health, environmental protection, and emergency preparedness;
- must, prior to any recycling of a ship, develop a ship-specific Ship Recycling Plan (SRP). The SRP must be approved by the Competent Authority authorising the Ship Recycling Facility (SRF). The Competent Authority must send written acknowledgement of receipt of the SRP to the SRF, the shipowner and ship's flag Administration; and
- can only accept ships that comply with the HKC requirements.

Ships of 500 GT and above:

- must have and maintain an Inventory of Hazardous Materials (IHM) on board, along with an International Certificate on IHM. Existing ships must comply within five years of the HKC entry into force (Regulations 5.2 and 11.1);
- will require initial surveys to verify the IHM, renewal surveys and – in case of modifications on board – additional surveys during their operational life, and a final survey before recycling;
- must have an International Ready for Recycling Certificate after the final survey and before the recycling; and
- shall only be recycled at ship recycling facilities that comply with the HKC requirements.

## **Ensuring the Hong Kong Convention precedes the Basel Convention**

Speculations are still ongoing regarding whether the Hong Kong Convention (HKC) or the Basel Convention on transporting hazardous waste (BC) will regulate ship recycling on an international level.

ES|ECSA considers **the HKC to be the applicable legal instrument**, as Article 11 of the BC allows more specific legislation on the transport of waste to be adopted, provided it ensures the same level of environmental protection. ES|ECSA believes that the HKC meets this requirement.

In addition, basic principles of international law favour the HKC instead of the BC. The *lex specialis* principle imposes that if two laws (e.g. conventions) govern the same factual situation (e.g. disposing of waste), a law governing the specific subject matter (e.g. ship recycling) overrides a law that only covers that subject/situation from a general point (e.g. disposal of waste in general). Thus, the HKC will, once it enters into force, take precedence over the BC.

Lastly, it should be noted that discussions among IMO Member States at MEPC 82 led to a guidance<sup>2</sup>, submitted by the IMO Secretariat, being adopted on implementing both

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<sup>2</sup> [HKSRC.2/Circ.1, November 2024: Provisional guidance on the implementation of the Hong Kong and Basel Conventions with respect to the transboundary movement of ships intended for recycling](#)



the HKC and BC. The guidance clarifies that under certain conditions, the HKC should take precedence. ES|ECSA supports this guidance.

The guidance was on the agenda of the recent IMO MEPC 83 and Basel Conference of the Parties (COP-17). The Basel Secretariat took note of the guidance and invited Parties and observers to the BC to comment it in the Open-ended Working Group (OEWG), for recommendations to the next Conference of the Parties (COP-18). **ES|ECSA urges the European Commission to actively engage in this process**, participating in the OEWG and coordinating closely with IMO states and other stakeholders to avoid parallel or conflicting requirements at the international level.

### Capacity challenges of the EU Ship Recycling list

ES|ECSA welcomes that the European Waste Shipment Regulation (WSR) was amended to clarify the legal landscape at the EU level by ensuring that the EU SRR takes precedence when certain conditions are met. One of these conditions is that EU-flagged vessels can only be recycled in a yard outside the EU if it is approved by the EU under the SRR.

A significant concern for the European shipping industry is the **limited capacity of EU SRR-approved ship recycling facilities**. Despite the growing number of facilities on the EU list, their capacity remains insufficient to meet the demands of the shipping industry, and to meet the needs of ocean-going ships. Therefore, ES|ECSA urges the European Commission to **expand the EU list** and increase the resources needed to approve facilities in non-OECD countries where substantial improvements have been made in securing safe and environmentally sound ship recycling, as soon as they meet the requirements of EU SRR. The Commission should actively cooperate with third countries to improve standards in their facilities.

More than 95% of global ship recycling takes place in four countries — Bangladesh, India, Pakistan, and Türkiye — all parties to the HKC, it is essential to continue supporting the work of the IMO and to add non-OECD yards to the EU list. Since 2016, 32 Indian ship recycling facilities have applied to the EU list, but none have been accepted<sup>3</sup>. Continuing cooperation with IMO to ensure high standards of non-OECD recycling and to advocate for the inclusion of these ship recycling facilities on the EU list is of utmost importance for European shipowners.

**The HKC is the preferred instrument for European shipowners because it improves conditions for ship recycling, increases capacity on a global scale and ensures a level playing field.** The inclusion of non-OECD countries in the EU list is particularly important, given the growing demand for ship recycling. This demand is driven by the greening of the EU fleet under the Fit for 55 Package, IMO CII/EEXI regulations, and the decommissioning of oil and gas installations in the North Sea. As a result, the number of ships requiring recycling is set to rise significantly in the coming decade. In fact, BIMCO estimates that over 15,000 ocean-going ships will need to be recycled in the next

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<sup>3</sup> [List of applicant yards located in third countries, January 2025](#)



decade, which is more than twice the amount recycled in the previous ten years<sup>4</sup>. Addressing the capacity issue is therefore **crucial for the European shipping industry's compliance with environmental regulations and its commitment to sustainable practices**. Allowing for safe and sustainable recycling of vessels will also help transition the industry towards acquiring new, more efficient ships sailing on new fuels, thus reducing climate impact from international shipping.

Finally, a longstanding capacity challenge stems from the ongoing embargo on Cyprus-flagged ships in Turkish recycling yards, in place since 1987. This embargo violates Article 18 of the Treaty on the Functioning of the European Union (TFEU) on non-discrimination<sup>5</sup>. Despite repeated calls from EU institutions and assurances from Turkish yards that they would recycle any EU-flagged ship meeting EU SRR requirements once listed, the embargo remains in force. Recycling yards included on the EU list must fully comply with the SRR provisions including the non-discrimination principle enshrined in the TFEU. In line with Article 16(5) of the SRR, upon hard evidence of violation, they should be removed from the EU list and have their license withdrawn.

## Conclusion

Considering a revision of the HKC requirements is essential to ensuring global standards for safe and environmentally sound ship recycling. ES|ECSA remains committed to supporting these efforts and urges the European Commission to work towards strengthening HKC requirements rather than introducing additional stringent criteria in the EU SRR. A clear legal framework for ship recycling globally, in which the Hong Kong Convention precedes the Basel Convention, is crucial to ensure a global level playing field.

Moreover, ES|ECSA believes that the entry into force of the HKC will render an EU financial instrument and fund redundant, as it will establish a global, transparent system of standards and compliance for shipowners, addressing the financial gap between EU-listed and non-listed ship recycling facilities.

Facilitating the inclusion of non-OECD yards on the EU SRR list, and increasing the resources needed to do so, will help addressing current capacity challenges while promoting safe, environmentally sound ship recycling on a global scale.

## Contact

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<sup>4</sup> [News & insights, Ship Recycling \(bimco.org\)](#)

<sup>5</sup> [\(2016/C 202/01\) Treaty on the Functioning of the European Union](#)