**KSA SRC Country Report 2019**

**1. Progress of HKC ratification process in the Republic of Korea.**

Korean government has not ratified the Hong Kong Convention (HKC) at this stage. However, the government is paying sharp attention to the ratification trend of Hong Kong Convention.

**2. Comments regarding ship recycling results in 2016, 2017 and 2018.**

In 2016, the most number of Korean vessels were recycled in Bangladesh, but in 2017, it was Pakistan. In 2018, The major countries in which Korean vessels were scrapped were Bangladesh, Pakistan and India in order.

**< Demolition Volume of Korean vessels by the Countries >**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **2016** | | **2017** | | **2018** | |
| **No.** | **DWT** | **No.** | **DWT** | **No.** | **DWT** |
| **Bangladesh** | 25 | 2,255,734 | 13 | 593,600 | 15 | 1,731,829 |
| **Pakistan** | 10 | 1,097,020 | 17 | 2,471,322 | 8 | 944,517 |
| **India** | 5 | 183,134 | 6 | 491,328 | 8 | 486,411 |
| **China** | 3 | 8,152 | 4 | 13,189 | 0 | 0 |
| **Turkey** | 1 | 10,454 | 1 | 1,478 | 0 | 0 |
| **Others** | 1 | 13,568 | 1 | 1,242 | 1 | 2,876 |
| **Total** | **45** | **3,568,062** | **42** | **3,572,159** | **32** | **3,165,633** |

Source: Clarksons Database

**< Demolition Volume of Korean vessels by Ship Types >**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **2016** | | **2017** | | **2018** | |
| **No.** | **DWT (%)** | **No.** | **DWT** | **No.** | **DWT** |
| **Bulker** | 36 | 3,376,539  (94.6%) | 23 | 2,568,268  (71.9%) | 9 | 1,290,979  (40.7%) |
| **Container** | 2 | 129,947  (3.6%) | 4 | 275,755  (7.7%) | 2 | 53,816  (1.7%) |
| **Tanker** | 2 | 6,718  (0.3%) | 7 | 677,591  (19.0%) | 16 | 1,736,446  (54.9%) |
| **Others** | 5 | 54,858  (1.5%) | 8 | 50,545  (1.4%) | 5 | 84,392  (2.7%) |
| **Total** | **45** | **3,568,062**  **(100%)** | **42** | **3,572,159**  **(100%)** | **32** | **3,165,633**  **(100%)** |

Source: Clarksons Database

Data Source: Clarksons Database

There were some changes of ship recycling trend in Korean shipping industry in 2018. The majority vessels scrapped in 2016 and 2017 were bulk carriers, accounting for 94% in 2016 and 72% in 2017 respectively, whereas the most tonnage demolished in 2018 was tankers (55%), followed by bulkers (41%).

Actually, this recycling trend is in line with the world demolishing market trend as below. Since 2017, the volume of tanker vessel scrapped increased and the largest number of vessels recycled in 2018 was tankers. This is perhaps due to the low freight level in the tanker market until early 2018.

**< World Demolition Volume by Ship Types >**

Million DWT

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2014** | **2015** | **2016** | **2017** | **2018** |
| **Bulker** | 16.4 | 30.7 | 29.3 | 14.7 | 4.4 |
| **Container** | 5.3 | 2.9 | 8.7 | 5.3 | 1.5 |
| **Tanker** | 7.8 | 2.4 | 2.5 | 11.1 | 21.1 |
| **Gas Carrier** | 0.3 | 0.3 | 0.4 | 0.4 | 1.1 |
| **Others** | 3.8 | 2.9 | 3.7 | 3.7 | 4.1 |
| **Total** | **33.6** | **39.1** | **44.7** | **35.3** | **32.1** |

Source: Clarksons Database

Data Source: Clarksons Database

The current recycling market is difficult to predict in which way the market will turn due to the uncertainty across the industry. Since the disaster of Vale Dam in Brazil in January, the price of iron ore increased and Bulk shipping market collapsed, and this may influence the ship recycling of bulk carriers. Also current low freight rate in tanker and gas carrier market could influence recycling market.

In addition, shipping industry is facing huge changes in the near future due to environment regulations such as Sulphur Cap and GHG issues, ballast water management and so on. Once such changes are realized, no one can surely predict the recycling demand at the present time. In addition, ship recycling regulations such as HKC and European Ship Recycling Regulation may limit the number of available recycling facilities. In this respect, it would be important for the shipping industry to secure sufficient capacity of recycling facilities over the world, which comply with global standards.

**3. Any information as to progress of HKC-compliant Activities done by any classification societies.**

No outstanding information was received so far.

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