



# ASA SRC

## ASA Ship Recycling Committee

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26 April 2023

### The 26<sup>th</sup> Interim Meeting of the ASA Ship Recycling Committee

#### Joint Statement

Adopted

The 26<sup>th</sup> Interim Meeting of the ASA Ship Recycling Committee, presided over by Mr Yuichi Sonoda, Secretary General of the ASA, on behalf of Mr Ron Huang, Chairman of the ASA SRC, was held via e-mail correspondence from 17 to 20 April 2022. The SRC members are firmly committed to ensuring full compliance with all applicable competition laws throughout the entire programme.

#### **Ship Recycling Trend**

In the year 2022, reflecting the strong supply-and-demand position of ships, a significant decrease in ship recycling volume, below 12 million DWT, which is the lowest figure since 2007, was recorded. However, according to Clarksons Research, 2023 is projected to reach 25.7 million DWT and 47.3 million in 2024 due to wider “green” pressure and the resumption of the scrapping of old vessels which has been suspended because of the high trade demand. The ASA SRC reconfirmed that there is an urgent need to develop SoC certified yards in *MULTIPLE* countries in order to respond to the anticipated demand and to reduce unexpected risks such as another pandemic in the future.

#### **Hong Kong Convention (HKC)**

Although a number of shipowners are now aiming for environmentally friendly ship recycling, there are still those who are less interested in this issue. Based on this situation, the ASA SRC reaffirmed the recognition that the soonest possible time for HKC coming into force would be essential to mind-reset by mandatory international rule. The ASA SRC concurred that the year 2023 would be an extremely crucial year for satisfying the requirements for early entry into force of the HKC. In parallel, there was a shared mounting concern that, with a further delay in entry into force of



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the HKC, the EU SRR, a regional regulation, would become a de facto international standard, imposing relentless measures.

The ASA SRC reaffirmed that Bangladesh and China hold the key for the early enactment of the HKC and we should concentrate our efforts on securing the earliest ratification, especially by Bangladesh, which has the potential to respond to the ever-growing demand for eco-friendly ship recycling. We have therefore adopted the Action Plans below in order to achieve early entry into force of the convention.

### <ASA ACTION PLAN>

#### 1. Continued promotion of the use of HKC SoC yards and those aiming to acquire SoC

We further promote and strengthen the ASA SRC's standing policy of ensuring priority usage of HKC-certified yards and yards in the process of obtaining certification. India continues and is expected to be the core of green recycling, and it would be especially great if India's successful experience in accelerating the growth of HKC green yards by motivation from shipowners could also be seen in Bangladesh. This will lead to the improvement of the environment for ratifying the HKC by the second quarter of 2023 declared by the Bangladeshi government.

#### 2. Continuous approach to Bangladesh and China toward the early ratification of HKC

Considering that Bangladesh, in aiming to ratify the HKC in 2023, needs financial and technical support from other countries, we should, cooperating with our home governments, encourage relevant authorities, including those in ship recycling countries and in maritime nations, to support Bangladesh in every aspect wherever possible. In this connection, the JSA reported that they would send a Japanese Delegation whose head is Vice President of JSA, and comprising major shipowners, ClassNK and the government to Bangladesh in May.

With regard to China, which is the only country in the world that has the trigger to make the HKC effective within 2023 by a single nation, it is strongly hoped that China will soon ratify the convention as a world environmental leader.



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#### **3. SPEAK OUT on our arguments on every occasion.**

The ASA SRC is FIRMLY COMMITTED to CONTRIBUTING to GLOBAL ENVIRONMENTAL CONSERVATION by PROMOTING ENVIRONMENTALLY FRIENDLY SHIP RECYCLING

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