



ASIAN SHIPOWNERS' ASSOCIATION

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14th July 2016

PRESS RELEASE

East and West shipowners reject proposals for ships to pay for EU ship recycling licenses

Proposals to compel ships, regardless of flag, to pay for European Union ship recycling licenses when calling at EU ports, would embarrass shipowners worldwide.

Asian Shipowners Association (ASA) strongly supports the comments of ICS and ECSA released on July 8 against any establishment of a ship recycling fund. ASA will further engage in positive dialogue and cooperation with both organizations.

According to a proposal now being considered by the European Commission, the money that visiting ships would have to pay into a proposed EU Fund, including those flying a flag of non-EU nations, would only be returned at the end of the vessel's working life and only on condition that the ship is recycled at a yard approved by the European Commission. ASA believes that any charges without specific services rendered to the ship would not be allowable on international law.

The technical guidance note under the EU regulation shows that a recycling yard located in South-East Asia where about 70% of world demolition is conducted will not be allowed to be included in the EU approved yard list. This is neither a realistic nor a practical approach. ASA is concerned about recyclers losing positive mind for improving their facilities and practices, and sincerely hopes the EU List to be utilized effectively to encourage their activities for improvements.

The EU regulation aims to facilitate the ratification of the Hong Kong Convention. ASA asserts that the EU should concentrate its efforts on getting EU member states to ratify the Hong Kong Convention, and to recognize the efforts being made by recycling yards in Asia to gain certification in compliance with IMO standards, because the Convention will not enter into force unless some of ship recycling states in Asia ratifying the Convention.

ASA is further committed to improving Asian recycling yards through encouraging member associations to ensure usage of certified yards or yards that are in efforts seeking certification and sharing actual progressive conditions in Asian yards among concerned parties.

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The Asian Shipowners' Association (ASA) is a voluntary organization of the shipowner associations of Australia, China, Chinese Taipei, Hong Kong, India, Japan, Korea and the Federation of ASEAN Shipowners' Associations comprising shipping associations of ASEAN countries. The aims of the ASA are to promote the interests of Asian shipowners. Between annual ASA meetings, the ongoing work is carried out by five Standing Committees: The Shipping Economics Review Committee, the Seafarers Committee, the Ship Recycling Committee, the Safe Navigation and Environment Committee, and the Ship Insurance and Liability Committee. It has been estimated that ASA shipowners and managers control and operate around 50% of the world's cargo carrying fleet.