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Singapore

## ***Press Release on the Joint Statement of the ASA SRC 25th Interim Meeting 2022 held 21 - 28 March 2022***

The 25th Interim Meeting of the ASA Ship Recycling Committee, presided over by Mr. Ron Huang, Chairman of the ASA SRC, was held via e-mail from 21 to 28 March 2022. The SRC members are firmly committed to ensuring full compliance with all applicable competition laws throughout the entire programme.

### **Ship Recycling Trend**

Since there has been an increasing global demand for shipping, the result of ship recycling volume in 2021 did not grow as expected and was 24.3 million DWT, and the year 2022 is expected to be about the same as 2021. However, according to Clarksons Research, 2023 is projected to reach 45.5 million DWT due to the impact of more stringent environmental regulations and wider “green” pressure, which accelerates many of the aged ships to be recycled. The ASA SRC reconfirmed that there is an urgent need to develop SOC certified yards in *MULTIPLE* countries as possible receivers of the above-mentioned future strong demand as well as for reducing risks when a pandemic like Covid-19 emerges.

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

Although the number of shipowners aiming for environmentally friendly ship recycling is increasing, there are still many of them who are less interested in this issue. Based on this situation, the ASA SRC re-affirmed the recognition that the HKC coming into force will be essential to mind-reset by mandatory international rule. This year will be an extremely important year for satisfying the requirements for early entry into force of the HKC.

The ASA SRC re-affirmed that China and Bangladesh hold the key for the early enactment of the HKC and the adopted-below Action Plans in order to achieve early entry into force of the convention:

### 1. PRIORITY RELEASE of VESSELS to GREEN YARDS

– INDIA continue to be the CORE of green recycling, necessary to upgrade yards in BANGLADESH

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 be 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 first quarter of 2023 declared by the Bangladesh government. The ASA SRC has a plan to dispatch a delegation from the ASA SRC to Bangladesh to promote dialogue with the stakeholders (ship recyclers and concerned government officials).



### 2. ENSURING EARLY RATIFICATION by CHINA in 2022

China is the only country who holds the trigger in 2022 for the early fulfilment of the HKC's requirements, and we will raise our voices until the precious value of ratification by China is achieved. We hope that China will proceed with ratifying the convention within this year as a leader for sustaining global environmental conservation.

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



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**Editor's Note:**

*The Asian Shipowners' Association (ASA) is a voluntary organization of the shipowner associations of Australia, China, Chinese Taipei, Hong Kong, 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 Seafarers Committee (SC), the Ship Insurance and Liability Committee (SILC), the Safe Navigation and Environment Committee (SNEC), the Shipping Policy Committee (SPC), and the Ship Recycling Committee (SRC). It has been estimated that ASA shipowners and managers control and operate around 50% of the world's cargo carrying fleet.*