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Green and safe ship recycling on the agenda

Ship recycling is a profitable but high-risk industry, carrying risks for workers and the environment when it is unregulated. We talked to Henning Gramann, CEO of GSR Services GmbH, about how his business aims to challenge the damaging effect of poor industry management.

Ship breaking has been called 'the world's most dangerous job' by the Global Trade Group IndustriAll, which estimated that over 70% of the world's ships end their lives on the beaches of India, Bangladesh, China and Pakistan. Every year hundreds of ships are dismantled by unprotected workers, some of them children. Casualties are high. The practice also causes damage to the environment, as pollution is one of the byproducts of the unregulated breaking up of ships on beaches rather than dry docks.

All this, says the European Union's Report on Ship Recycling, produced in 2016, adds to 'the need to establish a more competent, safe and sustainable global infrastructure to dismantle ships.'

So we were only too pleased to talk to Henning Gramann, CEO of GSR Services GmbH, about his long experience of ship recycling and why GSR thinks compliance with new norms and regulations matters.

Can you explain to me what GSR Services does as a business?

The core business is about enhancing the conditions of global ship recycling.

There are two key aspects we're working on - the development of Inventory of Hazardous Materials for ships where the locations and types of hazardous materials onboard are identified, and the effective implementation of health, safety and environmental protection in the ship recycling industry itself.

We base all our activities on new legislation such as the 'International Hong Kong Convention for Safe and Environmentally Sound Recycling of Ships' (HKC) from the International Maritime Organization and similar EU-Directives.

Why is ship recycling so important, for business and the environment?

Like shipbuilding, ship recycling is a heavy industry where anybody involved has to be aware of the related risks and dangers.

Ships, and also structures such as oil platforms, are purpose-built steel structures with a certain lifespan. Breaking up these structures poses various risks like falling from a height, being hit by falling objects, toxic fumes arising from cutting painted steel, oxygen deficiency when entering confined spaces, gases evaporating from machinery, fuels and cargo spaces, plus many different hazardous materials inherent in the structure and equipment, such as asbestos, PCBs, ozone-depleting substances, heavy metals and so on.

When these huge structures need to be dismantled, it is important that all materials, as well as ship and size related risks, are managed properly. That requires lots of training for workers and supervisors, plus a proper infrastructure in ship recycling facilities to accommodate the by-products.

Recently there has been some debate about compliance with EU regulations. What is the background to this debate and do you think the EU's Ship Recycling Regulation will help?

The background of this legislative initiative from Brussels is the lack of practicable and enforceable legislation in the international shipping industry.

The Basel Convention covers the disposal of ships, but it has not proved adequate.

So the Hong Kong Convention (HKC) was developed by the International Maritime Organisation (IMO) and adopted in 2009. This Convention can only come

into force when enough countries ratify it, and its enactment will probably take a few more years - a process which was delayed by the economic crisis.

The European Parliament, therefore, decided to enforce the Hong Kong Convention in Europe and created the EU-Ship Recycling Regulation for this purpose. As usual, some details were added causing some additional challenges for the industry. Also, like any EU legislation, it has its boundaries - it can't be enforced globally, and shipping is a truly global business.

What are the challenges in making the ship recycling industry more sustainable?

The critical problem is a very basic one of supply and demand. For decades, ship owners have been demanding the highest price for their old ships, which means that recycling is more likely to take place in unsafe but low-cost conditions. The challenge is to make ship owners demand higher standards and accept a marginally lower price for their old ships.

We're actively supporting the development of 'green and safe recycling capacity' on the Indian Subcontinent, but these yards are facing difficulties in getting ships because of competition from unregulated yards. We hope that adoption of the Hong Kong Convention will force yards to raise standards.

Have you encountered any specific problems with governmental agencies?

The difficulty faced by government is

often a lack of understanding of the new requirements. The laws might have the right wording, but interpretation in real life situations differs and is sometimes a bit confusing. We hope this specific problem will be solved when stakeholders have more experience in enacting and enforcing the Convention and Directive.

How would you say your business has evolved over the years?

Because I thought the HKC would enter into force much earlier, we were exploring the Inventory of Hazardous Materials (IHM) as a potential expanding market. However, the financial crisis has led to a delay in adoption, and the IHM market has remained small.

Fortunately, we have a far-reaching services portfolio for all addressees, from suppliers and manufacturers via shipyards, owners and ship recyclers, which keeps us busy. Nowadays our focus lies with the ship recyclers in India and neighbouring countries, where we've achieved great success by guiding them to implement HKC-requirements in an effective and sustainable manner.

We have also worked with the recyclers and classification society ClassNK in Japan, and they chose us because we were the business with the most in-depth knowledge and best reputation.

Our approach is successful because we take care of legal compliance with regards to health, safety and the environment while we make sure we take the productivity of the recyclers into account. It means they can offer high quality and competitiveness.

The second core business is the growing demand for IHMs due to the EU-Regulation. There are few experts on the ground and more need to be trained, but it is a long-term objective. This dilemma is where a business like ours can be hugely helpful.

What does the future of ship recycling look like?

We think 'green recycling' will be the future. The ship recyclers we've worked with see HKC-compliance not as the goal, but as a new starting point. As techniques of green recycling get taken up, methods to increase productivity along with high standards will become industry-wide. Those that are getting into shape now will fare the best in the new compliance regime.

Looking to the future, do you have any plans for the company?

We've developed some environmental technologies and will also generate some new ideas for decontamination and cutting technologies, which businesses can use separately or in an integrated concept. We plan to develop our technical solutions further to support the implementation of a truly industrial approach.

For IHMs, I see a short-term rush over the next three years, and then another wave when HKC comes into force, whenever that might be.

I believe my company will grow and further develop solutions for tailor-made applications, and we remain committed to quality, not quantity.