

WIRANA ***SHIPPING CORPORATION***



SHIP RECYCLING - LATEST REGULATORY & MARKET DEVELOPMENTS AND SECTOR OUTLOOK

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WIRANA SHIPPING CORPORATION

CASH BUYER OF SHIPS FOR RECYCLING



- ▶ Wirana is oldest and one of the largest cash buyer, in business over last 30 years with a dealing average of about 100-120 vessels per year.
- ▶ We have dealt in over 2500 vessels. Wirana is renowned for performance, integrity and reliability.
- ▶ Excellent network with ship owners worldwide as well as recyclers in all major markets.
- ▶ Head office in Singapore, with offices and representatives in UAE, India, Pakistan, Bangladesh, China, Turkey and Canada with an in-house technical and commercial management of demolition vessels bought on as is where is basis.
- ▶ Wirana is committed to Green Recycling. Our own yard R. L. Kalthia, has SOC from Class NK for HKC compliant recycling. We always encourage more recyclers to be HKC compliant and have made substantial investments for promotion of green recycling in the sub-continent.
- ▶ We also own vessels for trading and so far have invested in dry bulk, wet and offshore sectors.
- ▶ Wirana mentioned twice in Guinness Book of World Records for dealing in largest vessels sold for recycling.
- ▶ With Wirana it is always a very simple and easy experience as owners will find tailor made solutions for their specific requirements enabling them to unlock maximum value realization on their assets.

Ship Recycling - Present and Proposed Regulations



- ▶ National Laws coupled with International regulations (e.g. Basel Convention) signed by respective country, presently regulate Ship Recycling Industry.
- ▶ Hong Kong International Convention for Safe and Environmentally Sound Recycling of Ships, 2009 (referred hereafter as “HKC”). An IMO effort to develop a global ship recycling regulation.
- ▶ European Ship Recycling Regulation, 2013. European Union developed this regulation applicable to commercial ships flying the flag of EU Member States

Ship Recycling - HKC



- ▶ Adopted in May 2009 at a diplomatic conference attended by 63 countries.
- ▶ Developed over 3.50 years with inputs from - IMO Member States, relevant non-governmental organizations and in cooperation with ILO and parties to Basel Convention.
- ▶ HKC is a truly global standard on Ship Recycling.
- ▶ Can come into force 24 months after the date on which 15 states:
 - ▶ representing 40% of world merchant fleet and
 - ▶ combined maximum annual ship recycling volume of those states must constitute not less than 3% of merchant shipping tonnage (during preceding 10 years)Have either signed it without reservation, accept, approve or have deposited instrument with Secretary General



Ship Recycling -HKC

- HKC Covers:

The design, construction, operation, preparation of ship for recycling, operation of SRF, establish appropriate enforcement mechanism for ship recycling (certificates & reporting).

- Upon Entry in force:

Ships for recycling should have IHM, Hazamat restricted for use by Ship yard and ship repair yard, initial survey to verify inventory of hazmat, additional survey during life of ship, final survey prior to recycling, SRF submits SSRP, Parties take effective steps for compliance with HKC.

- For SRF & Ship Owner presently following HKC principles:

Owners prepare IHM and submit to SRF based on which SRF plans and prepares SRP and is given to owners. SRF follows SRP during entire recycling process. SRF⁵ submits progress report and at end of recycling submits a detailed Ship Recycling Report to Owners.

Ship Recycling - EUSRR



- Adopted by European Parliament and Council of European Union
- HKC + additional requirements mainly (a) SRF operates from Built Structures (b) Two additional Hazmat - PFOs (Perfluorooctane Sulfonic Acid & HBCDD - Brominated Flame Retardants)
- Applicable to large commercial seagoing vessels flying flag of EU Member State and to ships flying the flag of third country calling EU port or anchorages.
- Ships can be recycled with SRF included in European List.
- EUSRR shall apply from earlier of the following two dates:
 - 6 months after the date on which combined capacity of SRF approved on EU list exceeds 2.5 million LDT or
 - On 31st December 2018.



Market Developments

- Presently neither HKC nor EUSRR is in force.
- Norway, Congo, France, Belgium, Panama - Ratified HKC
- Above member states have 20% of world merchant fleet registered with them
- Total Merchant Fleet Gross Tonnage in world is about 1791 Million DWT.
- HKC requires 15 states that cover 40% of world fleet. Good thing we are half way there on one of the parameters.
- Ship recycling member states that recycle major quantities - India, Pakistan, Bangladesh, China, Turkey, to ratify HKC. These forms second mandatory condition, for HKC coming into force.



THANK YOU

Wirana Shipping - Hitesh Vyas