

Global ship recycling landmark arrives with patchy compliance across South Asia

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Fully 16 years in the making, the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships entered into force today, with the majority of demo yards in Bangladesh and Pakistan – two vital recycling destinations – still not compliant with the international regulation.

The Hong Kong Convention, first adopted back in May 2009, addresses key environmental, occupational health, and safety risks involved in the recycling of ships.

“The entry into force of the Hong Kong Convention this year marks a watershed moment in our shared objective to promote sustainable and safe ship recycling practices globally. This achievement reflects years of dedicated work and will renew our drive to safeguard human health and the environment in this critical industry,” commented Arsenio Dominguez, secretary-general of the International Maritime Organization.

Latest statistics from BIMCO show that India is well on track with the new regulation with 110 yards complying with Hong Kong standards. In Bangladesh, just 10 yards, soon likely rising to 14, are ready, and there are 11 compliant yards in Turkey, but none in Pakistan.

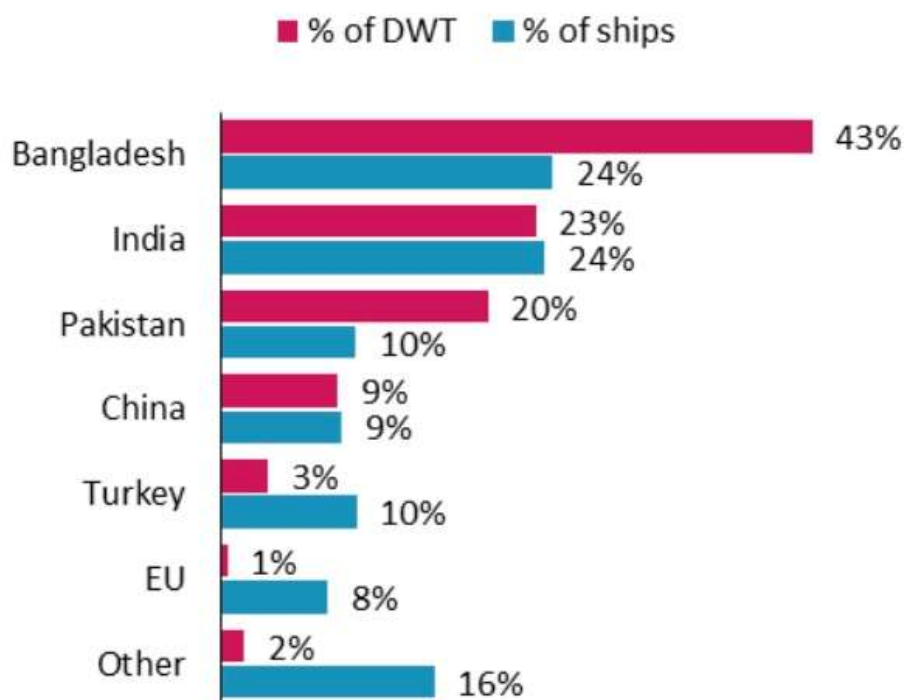
Pakistan's federal minister for maritime affairs Muhammad Junaid Anwar Chaudhry has announced this week the approval of Rs12bn (\$43m) in belated funds to get the country's Gadani shipbreaking area up to speed with today's new regulation.

Philip Roche, global co-head of shipping at law firm Norton Rose Fulbright, while hailing today's entry into force as a "major milestone," warned that the regulatory landscape remains too fragmented.

"The convention's impact is arguably limited by its lack of equivalency with the Basel Convention and EU regulations, which continue to restrict access to modern, certified recycling yards in South Asia. Until these frameworks are aligned, shipowners must navigate a complex web of overlapping obligations," Roche said.

Clarksons Research data shows that in 2025 so far, 4.9m dwt has been reported sold for recycling globally, up 12% on 2024's run rate, the lowest annual since 2007, though still down 57% against the 10-year average. Containership recycling has been especially weak, down 95% on the 10-year average, while gas carrier demolition sales have run at a record pace, up 106% year-on-year, supported by the disposal of steam turbine LNG carriers amid a weak earnings environment.

Recycling 2015-2024



Source: Sea-web