

Ship breaking yards:
political, legal and
environmental factors
and being affecte...



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Since the 60s of last millennium Bangladesh is a pioneer of ship scrapping industry of the world. It blessed Bangladesh with employment, steel and foreign remittance saving. But in return it costs us our life and environment. So concern is rising up. How much time yards will have the privilege of ignoring risk of workers rules regarding environment? Death tolls tells everyday it is a time to make a decision on the rules compliance and facilities that should be undertaken for the sake of present and future generation. Ship breaking yards: political, legal and environmental factors and being affected.

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Introduction: Bangladesh with its 160m people with no iron ore of her own makes an option for opening the door of ship breaking industry from which she largely accumulate nearly 60% of her total steel consumption. In Shitakunda near the port city Chittagong it occupied more than 20 mile in stretch for grounding the ship breaking yards. Today ship breaking industry is a necessity for Bangladesh's development from a near agrarian society to a modern industrial developing nation. Salvaged ships offers multidimensional opportunity with heavy saving of foreign currency helping import substitute of steel, employment opportunity, ship extracts (lucrative items) and many more.

Ship breaking yards are in the same line place a debate. Questioning that benefits are observed from the heavy toll of environment, causing damages in coastal forest line exposing nearby districts to cyclone, dumping poisons

(metals and non metals) in the sea, causalities, injuries and health risk of human ware. Poor work environment, employing child labor, and making bar in forming labor union, ill payment is everyday issue. More over till this decade more or less Ship breaking and recycle industry enjoyed more or less laissez faire. They had the world governed by themselves until 2009 when a court order was decreed banning import poisonous element filled in wracked ship. Today all ships have their last journey to be engraved in Bangladesh takes certificates in the deep seashore noting free of hazardous elements. But right today there is no less of death, injury or health risk or a lesser environmental degradation making certificates nothing but of no worth a sheet of paper.

Factor behind Migration of ship recycling industry:

Before Europe was the pioneer of ship scraping industry. The countries specially falls on this category are heavily industrialized nations like USA, United Kingdom and Netherlands. But after 20th century the business converged to south Asia. Environmental regulations are strict in those countries. And they were searching for business which is friendlier to environment. But here in subcontinent regulation are not that much strict and people pay lesser attention on this regard. Bangladesh became a lucrative destination mainly because of its valued geographic location, cheap breaking opportunity and a search for cheap steel. Geographical advantage gave an easy transport of life ending ships. Cheap scraping is the blessing of the least cost of labor in the world. As a going to be developing country Bangladesh is hungry of cheap steel. Bangladesh discovered a good source of rough steel from the ship demolition. There are other side going <https://assignbuster.com/ship-breaking-yards-political-legal-and-environmental-factors-and-being-affected/>

advantages of it leaving behind the loss it occurs by degrading environment, risking life and endangering boyhood of workers.

Looking back to the History of ship breaking yards in Bangladesh:

During the decades of last 60's a Greek ship named ' MD Alpine' was forced driven by a heavy cyclone on to the shore of Shitakunda. It was placed wrecked over there for couple of years as it failed to refloat. In 1964 the ship was bought and scraped by a Chittagong Still rerolling house. This incidence gave the birth of new business idea of ship recycling industry and from then there was no backward looking. As this industry does not comply with environmental protection standard, big nations wanted to get rid of the industry. Long flat uniform seashore and beach gave an advantage.

These came up with an opportunity for Bangladesh's scrappers and opened the door for further expansion became a world monopoly accumulating more than 52% of worlds ship dismantling business (DNV, 1999). After the independence war there was more than 150 companies and as no government intervention the situation was a sort of anarchical. Owner took easy loan from the bank and just fled away. During 80's the business saw its golden age as there was no substantial body of legislation and yards enjoyed no govt. intervention climate including no tax imposition. In 90s govt. started to pay light on them. The anarchic situation shifted to be a formal market. Market order gain gave a full swing to the industry. In 2006 Bangladesh became the largest ship dismantler in the world. But today India is overriding us.

The Economics of the Ship Breaking and Recycling Industry:

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Bangladesh's domestic steel production is insufficient to meet national demand, which is estimated at 5 million tons a year. The country has somewhere between 250 and 300 rolling mills currently in operation (out of an estimated total of 350). Their production—essentially Bangladesh's domestic steel output—is estimated at around 2.2 million tons a year, with sales valued at \$1.2 billion. Some 30 percent of this output is contributed by a few big firms. Current construction consumption of bars and rods is between 2 million and 2.5 million tons a year.

Significant source of employment. More than 1 lac people are directly or indirectly involved in ship recycling industries

The Ship Breaking and Recycle Industry output in Bangladesh, either plate or melting scrap, mainly feeds the smaller operators who produce perhaps 70 percent of re-rolling mill output in the form of lower-quality 40-grade rod. These smaller mills are principally located in Chittagong and Dhaka. Using recent annual average of 1-1.25 million tons of scrap output from Chittagong's ship breaking yards, it estimated that Bangladesh's SBRI contributes significantly to the country's steel production - perhaps up to 50 percent, This downstream demand for steel scrap has been a major driving force in the growth of the SBRI in Bangladesh.