Contributions Operations

Why the ship recycling debate needs a reality check

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Prime Green Recyclers

Dr Anand Hiremath, the CEO of the Sustainable Ship and Offshore Recycling Program, on demo capacity, compliance and credibility.

The ship recycling debate is entering a critical phase. With a major wave of vessels approaching end of life, the question is no longer whether standards should improve. They must. The real question is whether the industry is aligned on where scalable, compliant capacity already exists. BIMCO estimates that around 15,000 vessels will require recycling by 2032, underlining the scale of the challenge.

The industry is heading into a major recycling cycle, with thousands of vessels approaching end of life. The issue is not standards versus no standards. It is whether the industry recognises compliant capacity where it already operates, or

continues to frame the debate in ways that overlook operational realities.

With the Hong Kong Convention now in force, ship recycling has for the first time a global regulatory framework designed specifically for the sector. This should have brought clarity. Instead, parts of the debate continue to suggest that compliant South Asian yards remain outside the modern system, while alternative models are positioned as the default benchmark.

This position is becoming harder to reconcile with current realities.

Today, the largest concentration of globally compliant ship recycling capacity operates in India. Many yards are certified by leading classification societies and subject to repeated external audits. The issue is no longer whether compliance can be demonstrated. It is whether it is being consistently acknowledged.

The coming recycling wave will require capacity that already exists and is operational. The assumption that alternative non-beaching capacity can be built in time underestimates the complexity involved. Ship recycling infrastructure depends on land, downstream steel demand, logistics integration, labour ecosystems and years of operational development. This is not capacity that appears on demand.

Shipping understands this. Infrastructure is built over decades.

Nor is ship recycling unique in following the logic of industrial geography. Industries develop where supply chains, labour, downstream demand and processing ecosystems exist. EV batteries are concentrated in China, garments in Bangladesh and semiconductors in Taiwan. Ship recycling follows the same logic. To treat ship recycling as an exception is to misunderstand how global industry actually functions.

Calls to bypass existing ecosystems in favour of not yet scaled alternatives should therefore be treated with caution. The ships approaching end of life will not wait for theoretical capacity to materialise.

There is also a critical dimension often missing from the beaching versus non-beaching narrative. The full lifecycle of the steel.

Recycling outcomes cannot be judged solely by where a vessel is cut. They must be assessed across the full lifecycle of the steel, including processing, transport and end use. In India, a substantial proportion of recovered ship steel is directly rerolled and reused, avoiding energy intensive remelting. This has significant implications for carbon performance and circularity.

By contrast, some alternative models introduce additional transport and processing steps that are rarely accounted for transparently. Vessels recycled at ASRY in Bahrain under the Elegant Exit model see a large share of their steel scrap exported to Indian rerolling mills. The downstream pathway is therefore not avoided. It is extended by an additional transport leg before reaching the same end-use ecosystem.

This raises a fundamental question. Can such pathways be presented as inherently greener without full lifecycle emissions disclosure?

Without comprehensive lifecycle accounting, simplified claims of environmental superiority risk becoming selective narratives rather than evidence based conclusions.

The same applies to perceptions of yard conditions. Much of the criticism of South Asian recycling still relies on outdated assumptions. The reality in many compliant yards today includes impermeable flooring, mechanised handling, structured waste management systems, trained workforces and audited

procedures. These are the result of sustained investment and regulatory oversight.

None of this suggests that the sector has reached its endpoint. Continuous improvement remains essential. But serious debate should begin with current realities, not historical assumptions.

This is not a neutral debate. Different business models have different economic incentives. Some benefit from displacing large, price competitive recycling ecosystems. That does not invalidate their arguments, but it does mean they should be understood in context.

For shipowners, end of life decisions are commercial and fiduciary. If they are expected to accept materially lower returns in the name of sustainability, the alternatives offered must demonstrate clear, measurable advantages at scale.

That case has yet to be demonstrated consistently at scale.

The industry does need higher standards, stronger enforcement and continued investment in safety and environmental performance. But it also needs clarity about where capacity exists, how steel economics function and what can realistically scale in time.

The real test is not which narrative is most compelling. It is which model can deliver compliance, capacity, carbon credibility and commercial viability at scale. The risk is not that standards fail to rise. It is that the industry misjudges where these elements already intersect, and loses time it cannot afford.

On that test, compliant South Asian yards are not the problem. They are an essential part of the solution.

The sooner this is recognised, the better prepared the industry

will be for the recycling wave already on the horizon.

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