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THE HONG KONG CONVENTION AND PAKISTAN: A LEGISLATIVE AND STRATEGIC OPPORTUNITY IN SHIP RECYCLING

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Abstract

The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (the "Hong Kong Convention"), is poised to enter into force on 25 June 2025, following Bangladesh's ratification in 2023. This article examines the Convention's origins, its key provisions, and its implications for Pakistan's ship recycling industry. With China's withdrawal from the sector and Pakistan's accession to the Convention in November 2023, a legislative vacuum remains. The article argues that prompt and robust domestic legislation is not only a legal imperative but also a critical strategic opportunity for Pakistan to modernize its shipbreaking sector, capture diverted global market share, and promote sustainable economic development in line with international standards.

I. Introduction

The international maritime community is undergoing a significant regulatory transformation with the forthcoming enforcement of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (hereinafter referred to as the *Hong Kong Convention* or *HKC*). Adopted under the auspices of the International Maritime Organization (IMO), the Convention aims to standardize ship recycling practices by ensuring safety and environmental protection at all stages of a ship's life cycle.

The impending enforcement of the Convention presents both a compliance obligation and a rare economic opportunity for Pakistan. With China exiting the ship recycling industry and Pakistan's strategic location and industrial potential, aligning national laws with the Convention could reposition the country as a global leader in green ship recycling.

II. Background and Rationale for the Convention

Historically, the dismantling of ships has been concentrated in South Asia, particularly in India, Bangladesh, China, and Pakistan. These countries have benefited economically from the sector but have also faced serious challenges related to workers' safety, environmental degradation, and informal regulatory enforcement. End-of-life ships often contain hazardous substances including Asbestos, Lead, Mercury, and oil residues. In poorly regulated environments, these



materials have resulted in extensive harm to human health and coastal maritime ecosystems.

Prior to the Convention, the absence of an international framework fostered a "race to the bottom," whereby shipowners selected recycling destinations with the weakest regulations. The Hong Kong Convention was designed to address this systemic issue by establishing uniform, enforceable standards for ship recycling operations globally.

III. Core Provisions of the Hong Kong Convention

The Convention applies to ships of 500 gross tonnage and above, and to ship recycling facilities under the jurisdiction of contracting states. Its key requirements include:

1. **Inventory of Hazardous Materials (IHM):** Ships must maintain a certified inventory of hazardous materials throughout their operational life;
2. **Authorization of Recycling Facilities:** Only facilities authorized and certified by national authorities may undertake ship recycling activities;
3. **Ship Recycling Plan:** A specific recycling plan must be developed for each vessel, approved by the competent authority;
4. **Worker Safety and Training:** Facilities are required to implement safety protocols, provide protective equipment, and ensure adequate training and emergency preparedness;
5. **Environmental Monitoring and Waste Management:** Facilities must monitor and manage waste and emissions in accordance with international environmental standards.

These provisions collectively represent a paradigm shift in the governance of ship recycling, emphasizing legal accountability, procedural transparency, and substantive compliance.

IV. China's Withdrawal: A Geo Economic Opening for Pakistan

In a significant policy move, China has prohibited the import of solid waste, including end-of-life ships, as part of its domestic environmental reforms. Previously, China accounted for nearly 25% of global ship recycling capacity. Its departure from the market has left a substantial supply gap.

Pakistan, already among the world's top four shipbreaking nations, is well-placed to absorb a considerable portion of this diverted volume. The **Gadani Shipbreaking Yard**, one of the largest in the world by area, has historically been a significant contributor to the local economy. However, it has also been the site of grave safety incidents and environmental violations, underscoring the urgent need for **reform**. Additionally, Karachi Shipyard and Port Qasim hold strong potential as strategic sites



for establishing compliant ship recycling facilities under the Hong Kong Convention framework.

By aligning with the Hong Kong Convention, through legal and institutional modernization, Pakistan can transform this challenge into a generational opportunity.

V. Pakistan's Accession and the Legislative Imperative

On **30 November 2023**, Pakistan formally acceded to the Hong Kong Convention, binding itself under international law to implement its provisions domestically. However, accession alone is insufficient; implementation requires a legislative and regulatory framework that gives practical effect to the Convention's standards.

VI. Consequences of Inaction

- **Loss of market competitiveness:** Non-compliant states may be excluded from shipowners' lists of preferred recycling destinations.
- **Reduced access to finance and insurance:** Major shipping registries and financial institutions increasingly require HKC compliance.
- **Reputational harm:** Continued violations of environmental and labor standards could attract international scrutiny and economic sanctions.

To prevent these outcomes and seize the opportunity, Pakistan must enact a comprehensive **Ship Recycling Act**, with accompanying **Rules and Regulations**, encompassing:

- Legal mandates for IHM certification and inspection;
- Licensing and oversight of recycling yards;
- Empowerment of the Ministry of Maritime Affairs as well as Provincial Environmental Protection Agencies and realigning Environmental Tribunals' jurisdiction for effective implementation of HKC;
- Technical and financial support for facility modernization;
- Mandatory training and certification schemes for workers;
- A transparent and accountable legal and technical monitoring regimes.

VII. Contemporary Legislative and Regulatory Advancements

India and Bangladesh has made an unprecedented headway to undertake the legislative work completed long time back. For instance, Bangladesh has enacted the Recycling of Ships Act in 2018 and India in 2019 followed by rules and issuance of guidelines. In addition, Bangladesh completed the first phase of the Safe and Environmentally Sound Ship Recycling (SENSREC) Project in 2017 in collaboration with EU & IMO. This was followed by two more phases, during which studies were conducted on the economic and environmental aspects of ship recycling. These



phases also led to the development of training materials, capacity-building plans, and the preliminary design of infrastructure for the treatment, storage, and disposal of hazardous wastes generated from recycling operations. If others can lead, why not Pakistan? Let's Pakistan seize this opportunity!

VIII. Conclusion: Legislating for Leadership

The enforcement of the Hong Kong Convention with effect from 25 June 2025 marks a critical turning point for the global ship recycling industry. For Pakistan, this is more than a regulatory milestone, a strategic opportunity to revitalize its maritime or Blue Economy, attract foreign investment, and project international credibility.

By swiftly enacting enabling legislation and establishing a robust institutional framework, Pakistan can emerge as a regional and global leader in sustainable ship recycling. Delay, on the other hand, risks marginalization in an increasingly compliance-driven global market.

The tide of opportunity is rising. With vision, political will, and legislative action, Pakistan can sail confidently into a future defined by safety, sustainability, and international leadership.

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