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"I/A" ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Proposal for a Regulation of the European Parliament and of the Council on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC (first reading)
	- Adoption of the legislative act $(LA + S)$
	= Statements

Statement by Bulgaria, Cyprus and Malta

The abovementioned Member States recognise that ship recycling raises significant environmental challenges, which need to be addressed.

However, we cannot agree that a regional approach is the most appropriate way forward. In view of the inherently global nature of the shipping sector and the right of ship owners to re-flag their ships, it would have been better to link the date of application of this Regulation to the date of entry into force of the Hong Kong Convention.

Moreover, the threshold of 2.5 million light displacement tonnes in Article 32 is far too low to provide assurance that it will actually be possible to comply with the Regulation once it applies.

Statement by Cyprus

Cyprus regrets the failure to include more explicit wording in Article 16 (4) of the Regulation, regarding the application of the principle of equality in Union law, and in particular, providing for non-discriminatory access to recycling facilities for ships flying the flag of any EU Member State.

Cyprus considers that the absence of such a reference does not mean that the Commission may approve ship recycling facilities located in third countries, such as Turkey, that apply discriminatory measures to ships associated with any Member State. Such an approval would be in breach of the principle of equality and thus, be considered unlawful.

In this context, and in addition to the principles enshrined within the Treaty of the European Union, Cyprus recalls the Council Conclusions of 11 December 2012 on Enlargement and Stabilisation and Association Process, and the Declaration by the European Community and its Member States of 21 September 2005, and emphasises the obligation for non-discriminatory implementation of the Additional Protocol of the Association Agreement between the Union and Turkey, towards all Member States.

The continuation of restrictive measures applied by Turkey vis-a-vis the Republic of Cyprus, coupled with the provisions of this Regulation, will impact negatively Cyprus's economy and shipping industry. Cyprus-associated ships will be excluded from EU-approved recycling facilities in Turkey, thereby limiting their recycling options. An inevitable loss of flags from the Cyprus shipping registry will lead to a loss of revenue. The port and shipping management industries will also receive a significant blow, as ship owners will choose to avoid Cyprus as a hub.

Cyprus, therefore, calls on the Commission to respect scrupulously the principle of equality when drawing up the list of ship recycling facilities. Cyprus reserves all its rights, including legal redress where appropriate, to ensure that the principle of equality is respected.

Statement by Poland

Poland acknowledges that ship recycling practices in some parts of the world raise serious safety and environmental concerns and need urgent and effective solutions.

Poland also believes that maritime transport as a sector of intrinsically global nature requires measures wider than unilateral EU regulations. In consequence, Poland has been hesitant to lend its support for an EU regulation on ship recycling and instead advocated a concerted effort to facilitate earlier entry into force of the Hong Kong Convention for the safe and environmentally sound recycling of ships. We believe that the problem of unsound ship recycling can effectively be tackled only through an early entry into force of the Convention and its enforcement.

Poland highly appreciates that the final text of the Regulation on ship recycling extensively aligns with the Convention and may ease future adjustments of EU law to the Hong Kong Convention.

However, Poland maintains doubts that the conditions for application of the Regulation as provided in Article 32 are optimal. The application date in paragraph 1(b) fails to guarantee that compliance with the Regulation will be possible due to the probable lack of available recycling capacity and no firm link to the Hong Kong Convention.

Taking the foregoing into account, **Poland cannot support the regulation and abstains from voting.**

Statement by Germany

" Deutschland hat weiterhin Bedenken, ob die Verordnung zur Erreichung ihres Ziels beitragen kann, da die Regelung nicht verhindern kann, dass die Schiffseigner wie bisher abzuwrackende Schiffe vorher unter eine Nicht-EU Flagge bringen und damit die bisherige Praxis beibehalten."