

Press Release

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Alert: Auction of MV Funchal, Iconic Portuguese Vessel

European groups representing asbestos victims and campaigning associations have expressed concerns over the upcoming auction (January 29, 2021) of the former Portuguese vessel MV Funchal which is being sold two years after it was purchased by the UK company Signature Living, now in administration.¹

Bids for the passenger ship, which was bought in 2018 by the British hotel group for €3.9 million, are expected to start at €1.8m. Rumors are circulating that the vessel – which has remained berthed in Lisbon since it was purchased – will be scrapped. According to a campaigner who has been monitoring the situation over the last two years, there are “about 100 tons of asbestos in a friable state, namely composed of the fiber types chrysotile, amosite and tremolite” on-board, which were identified by a hazardous substance audit.

Exporting hazardous wastes, such as asbestos, from Portugal to developing countries is banned by the EU Waste Shipment Regulation. The MV Funchal is furthermore registered under the flag of Portugal. According to Article 6 of the EU Ship Recycling Regulation (EU) No. 1257/2013, shipowners must ensure that EU-flagged vessels destined to be scrapped are only recycled at facilities that are included in the European List. However, the new buyer may seek to circumvent the Regulation by swapping the Portuguese flag to a non-EU flag.

Commenting on this situation, Ingvild Jenssen of the NGO Platform on Shipbreaking said:

“Covid-19 has decimated European industries including those offering leisure activities such as cruises and live entertainment. Given the lack of demand for these services, it is more likely than not that the MV Funchal will be purchased for scrap. It is highly possible that a scrap-dealer known as a cash buyer will purchase the ship and bring it to a beach in Bangladesh, India or Pakistan, circumventing EU ship recycling rules and breaching EU waste legislation. In South Asia, environmental regulations are poorly enforced, and workers, including children, routinely labor under appalling conditions. The fact that the auction is taking place in London is no guarantee that a bid by an anonymous off-shore company won’t be accepted.”

Carmen Lima, from a group in Portugal representing asbestos victims – SOS Amianto – is equally concerned that financial incentives will be the deciding factor in the disposal of the Funchal:

“The removal of asbestos and the decontamination of the vessel should take place in Portugal avoiding the transborder shipment of contaminants to another country, namely one where the criteria for asbestos removal may not be as demanding and may put at risk the health of shipbreaking workers and their communities. Asbestos victims

¹ The ship brokers for the auction of the Funchal are CW Kellock & Co. Ltd. The deadline for the submission of private tenders is noon on January 29, 2021.
<https://www.eggarforresterships.com/auctions>

in Portugal and the UK remain determined that the vessel which had such a glorious past will not have a dishonorable end.”

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