

DG WEEKLY 27 / 2020

INDICATIVE DEMO VALUES

Weekly Change
+ 40.000\$
Value

3,9 usdm (Dely Pakistan)



2500 TEU / 12.432 mts ldt /
~ 25 (23) years*

Container

Weekly Change
+ 25.000\$
Value

2,6 usdm (Dely Pakistan)



72.000 DWT / 8.872 mts ldt /
~ 25 (29) years*

Bulker

Weekly change
+ 50.000\$
Value

4,7 usdm (Dely Pakistan)



75.000 DWT / 15.505 mts ldt /
~ 30 (27) years*

Tanker

Weekly change -
10.000\$
Value

0,6 usdm (Dely India)



2800 DWT / 2.123 mts ldt

AHTS

*this is the quarterly adjusted average scrapping age of the vessel type (in brackets the average of last year)

USD / LDT – INDICATIVE MARKET PRICES

	Change	Tanker (HKC)	Container (HKC)	Dry Bulk (HKC)	Avg. last 3 years ³⁾
India	- 2 %	295 (285)	305 (295)	285 (275)	380
Bangladesh¹⁾	+ 2 %	300	310	290	382
Pakistan	+ 1 %	310	320	295	n.a.
Turkey²⁾	+ 2%	185 (180)	190 (185)	180 (175)	251

*All prices are indicative only based on average indications for standard tonnage - all prices in usd / ldt.

1) In Bangladesh only one yard has achieved HKC compliance certificate

2) In turkey 6 Yards do comply with the EU-SRR and respectively the price in brackets refers to this recycling standard

3) The average accounts for the highest price category (id est Container Vessels)

COMMENT

Although Covid-19 is far from over prices somehow remain stable around the usd 300 mark in all sub-continent destinations. Alang breakers keep on buying tonnage for Hong Kong compliant recycling – we saw ER SEOUL (24.800 mt/ldt) snapped up for usd 300 per lt/ldt after her sisters were previously sold at similar levels. The price for melting scrap in India went up to \$ 293 per ton from \$ 277 per ton on Monday and the steel plate price increased just slightly by usd 7 per ton to usd 359 over the course of the week.

PHP Shipyard snapped up the 1994 built Ore Carrier 'Handan Steel' (38,047 mt/ldt) for \$ 274 per lt/ldt basis delivery in Chittagong, while little news has been

heard from Gadani this week.

Prices in Turkey remain trading well below the usd 200 per mt/ldt mark while we are hearing that the 6 approved EU SRR yards are completely full and respectively owners with EU flag and intention to scrap are facing the situation that they either have to wait or accept significantly lower rates in other EU approved yards. It is interesting to note that the '98 built Danish flagged SINE MAERSK arrived at Aliaga anchorage and although we don't yet know the price tag, it is another huge Container Vessel for Turkey (~ 34.500 mt/ldt), following on from APL CHINA (~24,250 mt/ldt) scrapped earlier this year.

CONTACT

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REPRESENTATIVE FIXTURES

Name	Type	LDT	Built year	Built where	Terms	Price lt/ldt
E.R. Amsterdam	Cont	24.882	2000	KRS	Dely Alang	\$ 297
HKC compliant recycling / extra payments for 500 mts Bunker						
E.R. SEOUL	Cont	24.800	2000	KRS	Dely Alang	\$ 300
HKC compliant recycling / extra payments for Bunkers						
SINE MAESRK	Cont	34.400	1998	DK	Dely Aliaga	n.a.
EU SRR compliant recycling in Turkey (Flag: Denmark)						
Handan Steel	Bulk	38.047	1994	Japan	Dely Chittagong	\$ 274
HKC compliant recycling @PHP Ship Recycling Yard						

Total Demolition	2020 ytd		2019	
Bulk	6.392.148 dwt	51 vessels	7.880.246 dwt	92 vessels
Tank	1.018.452 dwt	30 vessels	4.427.162 dwt	87 vessels
Container	64.405 TEU	29 vessels	199.891 TEU	100 vessels

SNAPSHOT: RECYCLING REGULATION

Dutch reefer owner Seatrade emerged victorious this week after the Hague Court of Appeal overturned guilty verdicts that had been handed down in 2018 by Rotterdam District Court, related to the 2012 sale of four reefers for recycling in the sub-cont and Turkey.

Seatrade had been accused of breaching the European Waste Shipment Regulation (EWSR) in the first prosecution using the EU regulation – the verdict found two unnamed Seatrade executives guilty and banned them from working in shipping for a year and fined Seatrade subsidiaries. It also set a precedent that could have to lead to hundreds of prosecutions related to past sales of ships departing Europe for scrapping in the sub-cont.

The appeal called into question the impartiality of a judge involved in the 2018 ruling – all convictions have now been dismissed and the original case is set to return to the Rotterdam District Court for re-trial.

In the 2018 trial, Seatrade defended itself by saying the ships had left Europe trading with cargo and fully classified, disputing that vessels in this condition could be considered as ‘waste’.

The re-trial will be closely watched by shipowners and the ship recycling industry.

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YARD OF THE WEEK: BANSAL GROUP



Recycling Standard / Certification



Located on the shores of Bhavnagar, Gujarat, India, the Bansal Group maintains 2 Plots for ship recycling and represents a very well established and diversified Yard Group that has been in the market since 1983.

In 2017 the Yard was awarded with Statements of Compliance for safe and environmentally sound ship recycling in line with the Hong Kong Convention by Class RINA and in 2018 by Class NK also. The Plots both comply with EU-SRR (although they are not on the EU List).

- 1983 – Gupta Steel established by Mr. Kapoor Bansal and Raj Bansal in Partnership with Shiyji Gupta
- 1993 – Bansal Gases established in order to assure uninterrupted oxygen supply to the Ship Recycling unit.
- 1996 – Bansal Ship Breakers Pvt. Ltd. started breaking activity for the yard's first ship (7.564 mt/ldt) on Plot no. 25
- 2002 – Gupta Ship Breakers Shifted to Yard / Plot (current location) No 39, Ship Recycling Yard, Alang

With the vast experience of its staff and management team emanating from founding member and Chairman Mr. Kapoor, the Bansal Group has experienced solid growth and is a strong driving force for positive change towards a more sustainable industry. Today the family business is run by 32 year old CEO Mr. Rubal Bansal and maintains a rigorous Safety and Environment Protection Policy in order to enable safe and environmentally sound recycling processes.

- Track Record Plot no. 25: 61 Vessels [758.113 mt/ldt have been recycled (Average: 3 Vessels per year)]
- Track Record Plot no. 39: 80 Ships [757.918 mt/ldt) have been recycled (Average 2 Vessel per year)]
- Certificates: ISO 30.000:2009, ISO 9001:2015; ISO 14.001:2015; ISO 45001:2018 (Bureau Veritas)
- Statement of Compliance to Hong Kong Convention: Class Rina and Class NK (Plot 25 & 39)
- Confirmation of Compliance to EU (No 1257/2013): Class Rina (Plot 25 & 39)
- Method: Beaching in intertidal Zone
- Workforce: Plot no. 25 has around 40 permanent employees and Plot no. 39 has 30 permanent employees, though this number increases to around 150 while a vessel is being recycled.

Over the Years the Yard Group has dismantled a total of 141 vessels!

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