

# DG WEEKLY 28 / 2020

## INDICATIVE DEMO VALUES

Weekly Change  
**+ 120.000\$**  
Value

**4,0 usdm** (Dely Pakistan)



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

**Container**

Weekly Change  
**+ 84.000\$**  
Value

**2,7 usdm** (Dely Pakistan)



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

**Bulker**

Weekly change  
**+ 140.000\$**  
Value

**4,8 usdm** (Dely Pakistan)



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

**Tanker**

Weekly change  
**n.a.**  
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 <sup>3)</sup>
<b>India</b>	flat	290 (280)	305 (295)	285 (275)	380
<b>Bangladesh<sup>1)</sup></b>	+ 2 %	305	315	295	382
<b>Pakistan</b>	+ 3 %	315	330	305	376
<b>Turkey<sup>2)</sup></b>	flat	185 (180)	190 (185)	180 (175)	257

\*All prices are indicative only based on average indications for standard tonnage - all prices in usd / lt/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 (i.e. Container Vessels)

## COMMENT

With the Bulk market improving and paying healthier charter rates again for the bigger sizes, demo focus switched to Container tonnage, offshore structures and smaller Tankers.

Nevertheless it was a quieter week in terms of concluded business, with the Monsoon in full swing.

In India the price for melting scrap went up to usd 281 per ton from usd 279 per ton on Monday and the steel plate price remained flat at usd 364 per ton over the course of the week (up usd 5 per ton compared to week 27). We heard that Maersk Line has been fixing disposal of two Container Feeders around 7.000 lt/ldt to their 'panel' of four selected green recycling Yards in Alang.

Gadani Breakers were actively sourcing tonnage in the market and the recent sale of the EM Oinousses shows further improvements in prices up from usd 325 per lt/ldt 2 weeks ago seen on MV Port Kelang to usd 340 levels.

Prices in Turkey remain relatively weak, still quoting below the usd 200 mark for all types, while we have seen huge structures and vessels being committed to turkish breakers. After last week's impressive sale of the largest Container vessel ever to be recycled, SINE MAERSK, we have noted three Offshore structures heading to Turkish yards that were sold at a very strong usd 180 per mt/ldt bearing in mind the price is basis delivery 'as is' Canary Islands.

## CONTACT

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All details are given in good faith but without guarantee as to accuracy or completeness.

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## REPRESENTATIVE FIXTURES

Name	Type	LDT	Built year	Built where	Terms	Price lt/ldt
<b>COSTA VICTORIA</b>	Cruise	29.538	1996	GER	Dely Genoa	n.a.
EU SRR compliant recycling in San Giorgio del Porto Shipyard, Italy						
<b>VALARIS DS-3</b>	Drill	36.005	2010	KRS	Dely Canary Islands	\$ 180
En bloc with VALARIS DS 5 (blt 2011) & VALARIS DS-6 (blt 2012) for HKC compliant recycling in Turkey						
<b>KUO HSIUNG</b>	Cont	5.900	1993	JPN	Dely Pakistan	\$ 340
Private deal, no details known as of now						
<b>YM GREEN</b>	Cont	22.885	2001	PRC	Dely Hong Kong	\$ 270
En bloc with sister YM PINE for HKC compliant recycling in India						

Total Demolition	2020 ytd		2019	
Bulk	7.582.416 dwt	57 (51) vessels	7.880.246 dwt	93 vessels
Tank	1.022.070 dwt	31 (30) vessels	4.427.162 dwt	87 vessels
Container	83.200 TEU	34 (29) vessels	199.891 TEU	100 vessels

\*Last Weeks Numbers are being shown in Brackets / we are reporting actual deletions here, the number of Vessels sold for demolition varies

## SNAPSHOT: CRUISE SHIP RECYCLING

For the first time in its history, cruise ship owner and operator Carnival Corporation has sold a vessel for recycling. 1996 built Costa Victoria, about 29,538 mt/ldt has been sold to San Giorgio del Porto (SGdP) shipyard in Italy, the only Italian recycling facility on the European Union list.

SGdP of course has 'unanticipated' cruise ship recycling experience, having dismantled the stricken Costa Concordia over a three-year period from 2014-17.

It is understood that the Costa Victoria will act as a trial vessel as part of a wider cruise ship recycling project at SGdP. If all goes well, this could bring major change to the cruise ship recycling 'market'. Large cruise ships have for many years been demolished in the sub-continent where Owners enjoy higher prices compared to Turkey, previously the only other 'viable' recycling location in/close to Europe.

The sorry state of the cruise industry left struggling in the wake of Covid-19 most likely means that a large number of older cruise vessels will become demolition candidates in the coming months / years. Increased recycling activity in the sector will naturally lead to greater scrutiny of sellers, buyers and techniques used.

There will doubtless be a general uptick in demand for green, innovative recycling solutions from publicly listed cruise ship owning companies and cruise industry stakeholders in general. If other European Union approved yards with the necessary LOA/Beam/Draft dimensions can adapt fast enough, there is a real and evolving prospect of cruise recycling business.

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## YARD OF THE WEEK: PHP SHIP BREAKING AND RECYCLING INDUSTRIES LTD

**PHP** Family

Recycling Standard / Certification



Located at the edge of the Bay of Bengal, on the shores of Chattogram, the PHP ship recycling facility (SRF) has been a pioneer for safe and environmentally sound ship recycling practices in Bangladesh. Operating an impressive 25,000 Sq. meters of impermeable water-repellent concrete floor for cutting & recycling activities, the SRF has a distinguished appearance on the beach and reflect the PHP group's commitment to the environment and its employees.

The SRF has a recycling capacity of up to 100,000 MT LDT / year and the total lease area in the intertidal zone covers 60,379 Sq. Meters.

- 1982 – Start of the journey and first ship recycling activities
- 2000 – Year of Incorporation of PHP Ship Breaking & Recycling Industries Ltd.
- 2011 – Certified for ISO Standards (ISO 9001, ISO 14001, OHSAS 18001 and ISO 30000)
- 2017 – IMO Secretary General Mr. Kitack Lim visited the PHP Ship Recycling Facility
- 2017 – Statement of Compliance to Hong Kong Convention (RINA Class 2017, Class NK 2020)
- 2020 – **Sufi Mohamed Mizanur Rahman (Chairman of PHP Family)** receives the country's second highest civilian award for social welfare activities, Ekushey Padak, by Prime Minister Sheikh Hasina

In quest of Peace, Happiness & Prosperity (PHP) for the nation, the maestro – Sufi Mohamed Mizanur Rahman – in 1969 personally envisioned a sole mission: to shape the leading business conglomerate in Bangladesh, what is now the well-known PHP Family. The group comprises over 30 companies operating in diversified business sectors including Steel, Float Glass, Aluminium, Textiles, Automobiles, Aviation, Power, Petro Refinery, Financial Services, Agro amongst others. PHP Family has been continuously exploring new horizons with the introduction of innovative & eco-friendly technologies. PHP Ship Recycling Facility's mission is to demonstrate the feasibility of modern and secure ship recycling, improving waste management and optimizing processes for the decontamination of end of life vessels.

- **ICT System: The SRF's impressive expansion and innovative approach is being powered by a highly sophisticated digital governance system (facilitated by The Intellects) that includes various modules such as secured communication to relevant stakeholders, Operation Control, Procurement Process, Inventory and Asset Management, Maintenance etc. helping the SRF to organise its business in a very efficient way**
- Method: Intertidal beaching with natural and concrete slipway
- Tower crane for cut block handling and Crawler cranes to perform labor-intensive lifting work are the first of their kind in Bangladesh's Ship Recycling Industry

Over the years, PHP Ship Recycling Facility has demolished around 146 different type of ships, with the LDT of these ships totalling around 1.90 Million MT --> for more information please refer to <https://phpfamily.co/>

Intellects Innovative solution LLP,  
facilitating PHP SBRIL for transforming  
to 100% digital governance and contribute  
towards sustainable Ship Recycling.

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