

# DG WEEKLY 30 / 2020 | [www.demogate.com](http://www.demogate.com)

## INDICATIVE DEMO VALUES

Weekly Change  
+ 60.000\$  
Value  
**4,2 usdm** (Dely Pakistan)



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

Weekly Change  
+ 40.000\$  
Value  
**2,9 usdm** (Dely Pakistan)



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

Weekly change  
+ 70.000\$  
Value  
**5,1 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 <sup>3)</sup>
India	+ 2 %	305 (290)	315 (305)	295 (285)	380
Bangladesh <sup>1)</sup>	+ 2 %	315	325	305	382
Pakistan	+ 2 %	335	345	325	376
Turkey <sup>2)</sup>	stable	180 (170)	185 (175)	175 (165)	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 been awarded a HKC compliance certificate

2) In turkey 6 Yards 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

Another relatively quiet week in terms of overall business concluded with Monsoon season underway, limited appetite from Bangladesh and the start of the summer holiday season in Europe. That said, some vessels are under offer and the Evergreen units (*Ever Decent*, *Uni Arise* and *Ever Deluxe*) will be sold next week basis HKC standards.

While Bangladesian Breakers are still digesting the large number of massive VLOC's that they purchased in June, the number of deals into the country has been very limited over the past 2 weeks. This is also a result of the aggressive numbers offered by Pakistani Breakers who are able to pay 'top Dollar' after the national government's budget was presented, with policies working in Breakers' favour.

Indian Breakers are finding it equally challenging to compete with Pakistani prices on non-HKC tonnage. The price for melting scrap in India went up by \$10 to \$293 per ton and the steel plate price slightly dropped to \$362 per ton. The short-term outlook remains positive in the sub-continent markets.

Prices in Turkey were solid this week given the large amount of tonnage landing on the shores of Aliaga for breaking. Another relatively modern Cruise ship has been landed and a huge Norwegian flagged Shuttle Tanker was sold into the increasingly crowded recycling destination that is Turkey.

## CONTACT

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## REPRESENTATIVE FIXTURES

Name	Type	LDT	Built year	Built where	Terms	Price lt/ldt
<b>SOVEREIGN</b>	Cruise	28.800	1987	FRA	Dely Aliaga	~\$ 190
<b>EU_SRR compliant recycling in Aliaga, Turkey – Flag: Malta (EU)</b>						
<b>VINLAND</b>	Tank	27.870	2000	KR	Dely Aliaga	~ \$ 175
<b>HKC compliant recycling in Aliaga, Turkey – Flag: Norway</b>						
<b>TOVE MAERSK</b>	Cont	7.000	1992	DK	As is, Singapore	n.a.
<b>HKC compliant recycling (Maersk Standard, short list of four yards) – Flag: Gabon</b>						
<b>MJ BULKER</b>	Bulk	8.100	1995	JPN	Dely Gadani	~\$ 335

Total Demolition	2020 ytd		2019	
Bulk	8.148.958 dwt	60 (57) vessels	7.880.246 dwt	93 vessels
Tank	1.216.603 dwt	34 (31) vessels	4.427.162 dwt	87 vessels
Container	108.680 TEU	44 (37) vessels	199.891 TEU	100 vessels

\*Last week's numbers are being shown in brackets / we are reporting actual deletions (beached or at the yard), the number of Vessels sold for demolition varies

## SNAPSHOT: CASH BUYING ACTIVITY *in India*

Cash buying activity in India has been heavily impacted by Covid-19 and left some Cash Buyers exposed with tonnage that was bought on an 'as is, where is' basis prior to the Covid-19 market closure. Quite some money has been burned for vessels waiting to be re-sold to end Breakers and subsequently beached. Owners of other vessels failed to deliver to Cash Buyers or were refused by Cash Buyers invoking Force Majeure Clauses.

Commercially the markets dropped by around \$100 in India from levels \$10-15 below the \$400 per lt/ldt seen before the lockdown and stop of operations in March to levels below the \$300 mark after markets re-opened again in late May / June 2020. Although we saw signs of recovery in most stock markets worldwide, the amount of tonnage on the supply side and modest demand for melted scrap kept the rebound limited to \$ 20-25, trading around the \$300-320 lt/ldt mark.

Respectively some huge amounts have been lost on Vessels that have been taken over in February / March and could only get re-sold and beached in June.

In June and July Cash Buyers got more active again and in Alang we have been seeing a total of 50 Vessels and 653.296 mt /ldt got sold for recycling since beginning of April. Most active Cash Buyers by far have been GMS, Best Oasis, Ace Exim, NKD and Wirana. These 5 Buyers accounting for 39 Vessels and ~517.000 mts/ldt.

Buyers	Vessels	\$ Mio	~ Price	LDT	~ Age
Best Oasis	11	49	\$ 318	154.042	30
GMS	10	48,2	\$ 314	153.389	22
Ace Exim	6	18,9	\$ 308	61.336	31
NKD	6	21,2	\$ 305	69.400	24
Wirana	6	30,8	\$ 321	96.000	27

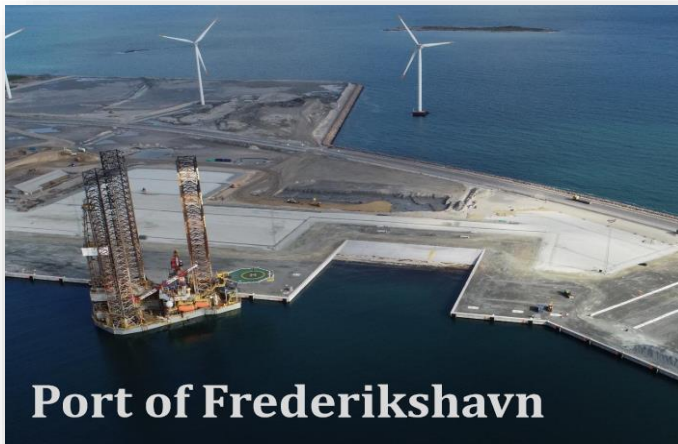
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## YARD OF THE WEEK: MODERN AMERICAN RECYCLING SERVICES (EUROPE)



**Port of Frederikshavn**



Recycling Standard / Certification



Modern American Recycling Services, Fredrikshavn (M.A.R.S.) is now fully operational and is Denmark's largest EU approved yard. Its US based owner M.A.R.S. Inc. also has five other recycling yards in the southern United States in Louisiana, Alabama and Mississippi. M.A.R.S. Fredrikshavn operates a gigantic 280.000 Sq. meter site and intends to recycle ships, semi-submersibles, jack-ups, offshore production facilities and associated jackets.

- M.A.R.S. - established in 1971 to perform barge, boat, ship demolition and recycling in the U.S. market
- 2017 – M.A.R.S. executed a lease agreement in 2017 with the Port of Fredrikshavn to operate a purpose-built ship & offshore recycling facility
- November 2017 – environmental permit for facility awarded
- January 2018 – facility added to EU approved list of ship recycling facilities
- Q4 2019 – facility ready to work at full capacity
- ISO 9001, ISO 14001 & OHSAS 18001 Certifications

At first glance, M.A.R.S. Fredrikshavn could easily be mistaken for a smoother version of the Moon – a vast grey expanse. On closer inspection, the yard's 280,000 Sq. meters processing area is covered in crushed rock which forms the first layer of a drainage system able to move water to the yard's two 2500 m<sup>3</sup> filtration tanks. Located in the far north of Denmark, the yard has excellent North Sea access and is ice-free all year round.

The yard has the scale and equipment required to decommission several large ships and oil rigs at the same time and has been designed to process 200,000 tons of metal annually. Once processed, metal is stored and shipped to final recycling destinations.

- 2000 MT onshore mobile crane
- 650m dedicated quay front
- Water depth up to 14 meters along new bulkheads (prepared for 16 meter draft for future dredging works)
- 800 MT floating crane
- 90 m wide ship ramp
- 255m wide load-in/load-out
- 8400 m<sup>2</sup> skidding area with 6 x WLL 200 MT bollards & 15 x WLL 100 MT bollards

The yard is obviously well positioned to serve the North Sea decommissioning market, but is keen to take large conventional ships also.

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