

DG WEEKLY 32 / 2020 | www.demogate.com

INDICATIVE DEMO VALUES

Weekly Change
- 60.000\$
Value

4,3 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

5,2 usdm (Dely Pakistan)



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

Tanker

Weekly change
+ 20.000\$
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	+ 3 %	320 (310)	330 (320)	310 (300)	380
Bangladesh¹⁾	stable	315	325	305	382
Pakistan	- 2 %	340	350	330	376
Turkey²⁾	- 2 %	190 (185)	195 (190)	185 (180)	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

A quiet week in terms of concluded business and general market activity with the holiday season in full swing. Respectively the number of market candidates is limited at the moment and although appetite for new tonnage should increase from Bangladesh and Pakistan again after the EID festive came to an end we have to see if the imbalance of supply and demand will lead to increasing prices. The Indian market keeps snapping up tonnage for HKC compliant recycling and finally the Evergreen Units were committed to Buyers at healthy price levels.

Prices for melted scrap in India improved by \$10 from \$296 per mt to \$306 and plate prices increased further to \$380 per mt during the week. Sentiment is positive at the moment although the risk of a second lock down period hasn't diminished

yet and we are witnessing an increasing number of Covid-19 cases again in several locations.

The Turkish market has been seeing a further decline in Turkish Lira, quoting at an all-time low against the USD on 06.08.2020. The exchange rate was quoting at 7,2850 Lira for one USD making imports more expensive. Although it also was a quieter week in terms of business concluded prices are still scratching the \$200 mark though we might see a reversal in prices given the limited capacity and large amount of tonnage that had been landed in turkey. Good news: The EU_SRR capacity that we have been covering in our Snapshot last week will increase further in Turkey with Avsar Shiprecycling Facility getting the green light from the EU – it will be added to EU SRR list later this year.

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REPRESENTATIVE FIXTURES

Name	Type	LDT	Built year	Built where	Terms	Price lt/ldt
Ever Decent	Cont	21.731	1997	JPN	Dely Hong Kong	~ \$ 310
HKC compliant recycling in Alang, India – Flag: Singapore / Vessel got sold with sufficient Bunkers for a Voyage to Alang.						
Uni Arise	Cont	7.129	1997	TWN	Dely Kaohsiung	~ \$ 270
HKC compliant recycling in Alang, India – Flag: Panama						
Ever Deluxe	Cont	21.731	1998	JPN	Dely Hong Kong	~ \$ 310
HKC compliant recycling in Alang, India – Flag: Singapore / Vessel got sold with sufficient Bunkers for a Voyage to Alang.						

Total Demolition	2020 ytd		2019	
Bulk	8.652.979 dwt	66 (64) vessels	7.880.246 dwt	93 vessels
Tank	1.216.603 dwt	34 (34) vessels	4.427.162 dwt	87 vessels
Container	124.994 TEU	48 (45) 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: The SENSREC Project in Bangladesh

On 24th July an agreement between the IMO and the Norwegian government was signed in order to support phase III of the SENSREC project, including technical assistance for hazardous Waste Management (Treatment, Storage and Disposal) and financial support of approximately \$ 1,5 mio.

The SENSREC project for safe and environmentally sound ship recycling in Bangladesh is being jointly implemented by the Bangladesian Govt. and the IMO and aims at improving standards within the country's ship recycling industry in order to prepare the adoption and ratification of the IMOs Hong Kong Convention.

The Hong Kong Convention has yet to meet two out of three separate criteria before entering into force 24 months after the criteria have been met (15 states ('done'), these states have to represent 40% of the world merchant fleet ('to do'), and a combined annual ship recycling volume of not less than 3% of their combined gross tonnage ('to do')).

Bangladesh is one the world's top four ship recycling countries by capacity, alongside India, Pakistan and Turkey. Together these nations account for 98 percent of the market. In order for Bangladesh to sign and improve the required recycling capacity several measures have to be taken to enhance Waste Management infrastructure and national capacity for safe and environmentally sound ship recycling.

The SENSREC project is being implemented in different phases. Phase III of the project (lasting 18 months) follows the successful implementation of Phase I (2015-17) and Phase II (2018 - 2020) that also were mainly funded by Norway.

The Ambassador of Norway to Bangladesh, Ms Sidsel Bleken, said that the SENSREC Project had already achieved significant progress, thanks to the commitment of the Government authorities as well as the ship-recycling industry of Bangladesh, stating that "We hope to see more yards complying with the requirements of the Hong Kong Convention, so that Bangladesh can be ready to accede to the Convention in the soonest possible time."

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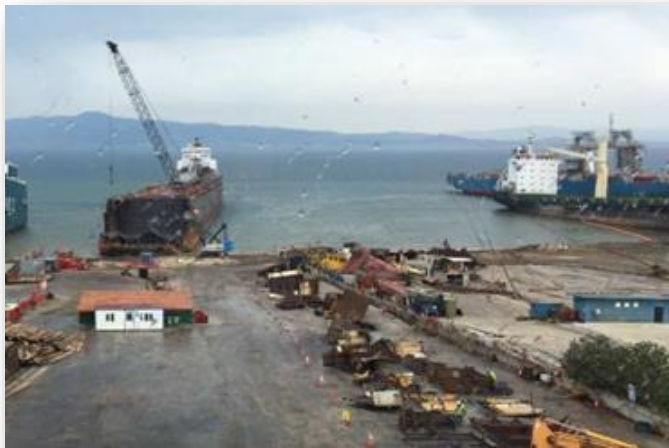
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YARD OF THE WEEK: AVSAR SHIP RECYCLING (TURKEY)



Recycling Standard / Certification



Located on the shores of Aliaga, Turkey, the EU_SRR and Hong Kong Convention compliant (Lloyds Register) Avsar Ship Recycling Facility is a well-established Yard that has been active in the industry for five decades and operates Plot no. 5 (see below map) at Aliaga Ship Recycling Zone for dismantling and recycling activities.

It is part of the Istanbul based Investment Group ISKA (<https://www.iskagrup.com>) that was founded in 1970 and invests in different sectors like shipbuilding, infrastructure projects, iron & steel, port services and ship recycling.

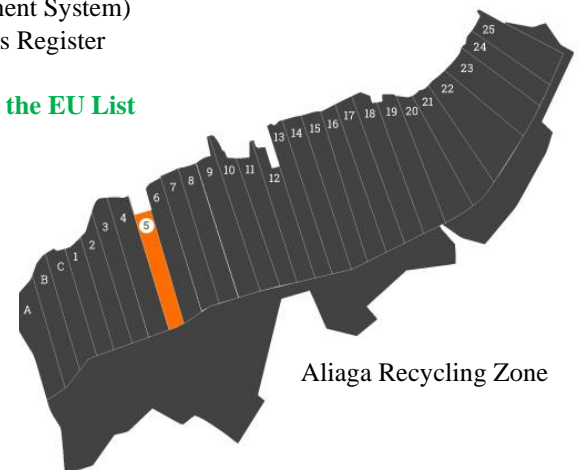
- 1980 – Establishment of Avsar Ship Recycling
- 2001 - Certified for ISO Standard 9001 (Quality Management System)
- 2015 - Certified for ISO Standard 14001 (Environmental Management System)
- 2015 - Certified for OSHAS Standard 18001 (Health & Safety Management System)
- 2015 - Certified for OSHAS Standard 30000 (Ship Recycling Management System)
- 2016 - Statement of Compliance to Hong Kong Convention from Lloyds Register
- 2016 – Certificate of Compliance to EU_SRR (EEU 1257/2013)
- **2020 – Application approved by EU and the Yard to be featured on the EU List**

The Recycling Facility has 85.000 mts/ldt annual recycling capacity and roughly 50 meters breadth restriction. The Yard employs 50 employees permanently although this number can increase in case dismantling operations require more workforce.

- Area of Facility: 20.000 Sq. meters (all covered by 35 cm concrete surface)
- Waste Management handled by the yard's certified and well trained Waste Department
- Recycling activities are monitored, captured and reported daily to Ship Owners by yard's QHSE Department
- Records of drills, trainings of the employees and periodic control reports of equipment are always available for inspections by third parties

Over the decades Avsar Ship Recycling Facility has demolished more than 500 ships, comprising a huge variety of different recycling projects from the Cruise industry, Military Equipment and Submarines, Car Carriers, Live Stock Carriers, Research Vessels, Bulk Carriers, Containers and Tankers.

For more information visit: <http://www.avsarshiprecycling.com>



Aliaga Recycling Zone

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