

INDICATIVE DEMO VALUES

Weekly Change
no change
Value

4,3 usdm (Dely Pakistan)



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

Container

Weekly Change
no change
Value

2,9 usdm (Dely Pakistan)



72.000 DWT / 8.872 mts ldt /
~ 26 (29) years*

Bulker

Weekly change
no change
Value

5,2 usdm (Dely Pakistan)



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

Tanker

Weekly change
+ 20.000\$
Value

0,65 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)	345 (335)	310 (300)	380
Bangladesh¹⁾	+ 2 %	320	330	310	382
Pakistan	stable	340	350	330	376
Turkey²⁾	+ 3 %	200 (195)	210 (205)	190 (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

In contrast to the hot temperatures experienced in the Northern hemisphere it was a cold week in terms of concluded business, though positive sentiment is spreading across the markets. With Monsoon season coming to an end in September demand from India should naturally pick up a bit, with the gap to bullish Pakistani prices expected to close further for non-HKC tonnage.

We are hearing that the `Singapore Express`, another huge Container Vessel, is under offer and the new fixture will set a new price benchmark for HKC compliant recycling.

Prices for melted scrap in India improved further to \$337 per mt and plate prices increased further to \$407 per mt during the week. Sentiment is positive at the moment although the risk of a second lock-down period has not diminished.

The Pakistani market is still prevailing in the sub-continent for non-HKC tonnage, but a good price clearly in excess of \$300 per lt/ldt for a smaller General Cargo vessel has raised attention towards Bangladesh.

Although the Turkish market has been reaping the effects of a further decline in Turkish Lira after last week's record lows, sentiment is positive and prices increased slightly, now quoting in excess of the \$200 mark for tonnage with good specifications.

CONTACT

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

REPRESENTATIVE FIXTURES

Name	Type	LDT	Built year	Built where	Terms	Price lt/ldt
MV Han Feng	Gen. Cargo	3.020	1992	GER	Dely Chittagong	~ \$ 310
Sold for final Breakup in Bangladesh – Flag: Hong Kong / good price considering the vessels small dimension						
MV Shanti Indah	Bulk	7.322	1996	JPN	Dely Indonesia	~ \$ 270
Sold for final Breakup in Bangladesh – Flag: Indonesia / “as is, Tanjung Uban Anch” – has to be towed						

Total Demolition	2020 ytd		2019	
Bulk	8.768.637 dwt	69 (66) vessels	7.880.246 dwt	93 vessels
Tank	1.216.603 dwt	34 (34) vessels	4.427.162 dwt	87 vessels
Container	129.089 TEU	52 (48) 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: BULK CARRIER *demolition*

After a busy start to the 2020 scrapping year with 26 units deleted from the dry bulk trading fleet by the end of February, operations were heavily interrupted by Covid-19 in March and April and recycling was halted across all markets.

In the aftermath of this crisis the number of vessels bound for recycling increased again and despite the drop in prices (down approximately 25% from 385 per lt/ldt levels in February to levels around the usd 300 per lt/ldt mark in May and June) several huge Ore Carriers were sold to Bangladesh for breaking. More than 50% of tonnage disposed of has been larger than 100.000 dwt, with the average age of vessels being recycled decreasing to 26 years (2019 average: 29 years | 10 years average: 27 years).

We expect scrapping activity to continue its upward trajectory helped by the recent strong price increase from Pakistan and improving levels from Bangladesh and India. We are certain that 2020 will see more bulkers head to the beach than in 2019 (93 bulkers). The 67 bulkers scrapped so far this year already constitute more carrying capacity compared to that deleted in 2019 (7.8 mio dwt scrapped to date in 2020 vs 8.8 mio dwt in 2019).

From an environmental and regulatory perspective the Bulk community has not widely adopted the standards set out in the Hong Kong Convention (HKC) yet. Out of the 69 vessels 42 have been sold to Bangladesh (where only 1 of 47 Yards complies with HKC standards), 16 Units went to India, 7 to Pakistan, 2 to Turkey and 2 Chinese flagged Vessels were scrapped in China. 40 out of the 67 vessels were flying the flag of either Panama, Liberia or the Marshall Islands.

We have been unable to trace a single Bulk Carrier that was sold as per EU SRR standards above 10.000 dwt. On a positive note, CSL is in the process of selling the MV `Salarium` to Turkey for green recycling as per HKC standards.

2020	Scrapped	Trading	On Order
DWT	8.768.637	890.931.866	66.891.632
No. Vessels	69	12.025	746

Scrapped / Fleet	1%
On Order / Fleet	7,50%
Scrapped / On Order	13%

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YARD OF THE WEEK: JRD INDUSTRIES (INDIA)



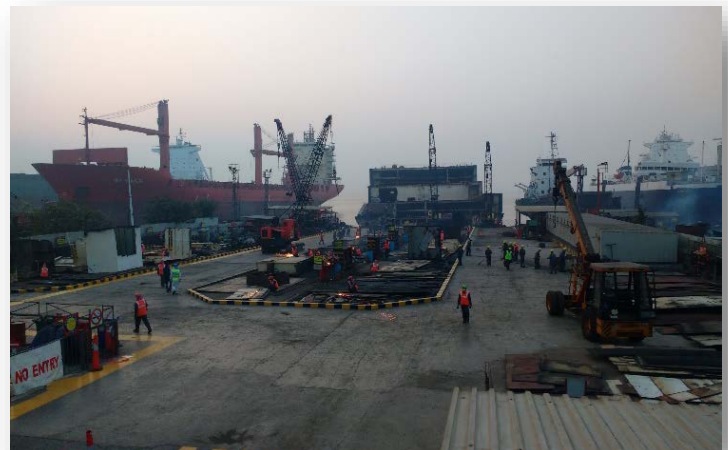
Recycling Standard / Certification



*not in the EU list yet

Located on the shores of Alang in Gujarat, India, the JRD Industries Ship Recycling Facility is a fully Hong Kong Convention compliant (Lloyd Register & Class NK) Yard that has been in the market for almost 4 decades and operates Plot no. 30 (see below map) at Alang Ship Recycling Zone for dismantling and recycling activities.

The Facility has a track record with top international owners demanding the highest standards that go beyond the requirements set out in the Hong Kong Convention (that yet has to enter into force). They are one of four yards that have been shortlisted by Maersk Line and recently purchased the 7.480 t/ldt vessel MCC Mergui that is due to be beached soon.



- 1982 - Establishment of J.R.D. Industries
- 2012 - Certified for ISO Standard 9001 (Quality Management System)
- 2012 - Certified for ISO Standard 14001 (Environmental Management System)
- 2012 - Certified for OSHAS Standard 45001 (Health & Safety Management System)
- 2012 - Certified for OSHAS Standard 30000 (Ship Recycling Management System)
- 2016 - Statement of Compliance to Hong Kong Convention (Class NK & Lloyds Register 2019)
- 2018 - Successfully recycling of the Royal New Zealand Navy's vessel HMNZS Endeavour in line with the Hong Kong Convention, the Basel Convention and as per EU SRR requirements: Watch time-lapse [Video Footage](#) of the recycling
- 2020 – Certificate of Compliance for the requirements set out in Article 13 of Regulation EU No 1257 /2013 (Class NK & Lloyds Register)



The Recycling Facility has 45.000 mts/ldt annual recycling capacity and roughly 50 meters breadth restriction. The Yard employs around 30 employees permanently and while dismantling operations are taking place up to 150 workers.

New Feature: The Yard developed an innovative Double Bottom Steel Structure (42 m * 18 m) on which Vessels are being landed and cut. The blocks are then being lifted by cranes on to a completely impermeable concrete area, keeping the intertidal zone uncontaminated.

The innovative Facility has been very active in recent years and has demolished 119.196 t/ldt since 2016. Its track record includes a huge variety of different recycling projects such as Car Carriers, Live Stock Carriers, Research Vessels, Bulk Carriers, Container Vessels and Tankers.

For more information visit: <http://www.jrdindustries.net>

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