

DG WEEKLY 34 / 2020 | www.demogate.com

INDICATIVE DEMO VALUES

Weekly Change
+ 300.000\$
Value

4,6 usdm (Dely Pakistan)



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

Container

Weekly Change
+ 220.000\$
Value

3,2 usdm (Dely Pakistan)



72.000 DWT / 8.872 mts ltd /
~ 27 (29) years*

Bulker

Weekly change
+ 380.000\$
Value

5,4 usdm (Dely Pakistan)



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

Tanker

Weekly change
+ 10.000\$
Value

0,66 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 %	325 (315)	350 (340)	315 (305)	380
Bangladesh¹⁾	+ 2 %	325	335	315	382
Pakistan	+ 7 %	365	375	355	376
Turkey²⁾	+ 2 %	205 (200)	215 (210)	195 (190)	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

We have been hearing of indications scratching the \$ 400 per lt/ldt mark in Pakistan (!) this week for tonnage with good specifications. This sharp increase in prices is forming a V-shape recovery of the market prices in the sub-continent.

We have been witnessing a price rally in the sub-continent driven by Buyers trying to commit the limited number of ships in the market and positive sentiment backed by healthy fundamentals. Though we are seeing pre-crises levels the Covid-19 pandemic is far from being over and the risk of a second lock-down period has not diminished.

The `Singapore Express`, a 20.000 lt/ldt vessel, has been sold for a very strong \$ 367 per lt/ldt basis delivery at Alang, India, for HKC compliant recycling (Class NK).

Prices for melted scrap in India decreased a bit to \$317 per mt and plate prices decreased from \$407 per mt at the end of last week to \$385 per mt today.

With Pakistan offering bullish prices and India snapping up tonnage for HKC-compliant recycling the Breakers in Bangladesh can only watch from the sidelines at the moment.

The Turkish Lira has been stabilizing a bit and the post EID holidays sentiment remains positive with indicative prices 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 Singapore Express	Cont	20.053	2000	KRS	Dely Alang	~ \$ 367
HKC compliant recycling (Class NK) in Alang, India – Flag: Hong Kong / very strong price						
MV Best Future	Bulk	7.037	1995	JPN	Dely Gadani	~ \$ 370
Sold for final Breakup in Pakistan – Flag: Panama						
MV Bahia Damas	Tank	7.306	1991	JPN	Dely Gadani	~ \$ 354
Sold for final Breakup in Pakistan – Flag: Panama						

Total Demolition	2020 ytd		2019	
Bulk	8.930.785 dwt	73 (69) vessels	7.880.246 dwt	93 vessels
Tank	1.216.603 dwt	34 (34) vessels	4.427.162 dwt	87 vessels
Container	138.699 TEU	56 (52) 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 Ship Recycling Transparency Initiative*

In March 2018 the Ship Recycling Transparency Initiative (SRTI) has been launched by the Sustainable Shipping Initiative (SSI), a UK based multi stakeholder initiative that brings together like-minded organizations with shared goals in improving the sustainability of the shipping industry in terms of social, environmental and economic impacts.

The signatures of many leading shipping organizations like Maersk, China Navigation, Hapag Lloyd, Wallenius Willemssen and others strongly indicates that the direction is right into which the industry is sailing though the final destination is still far off. Until the Hong Kong Convention enters into force (we expect same to happen around 2025 after Bangladesh has been ratifying) we will see many shades of green and grey.

The SRTI platform is a tool that allows ship-owners to share information on their ship recycling policies and practices, allowing the data to tell its own story and help investors and cargo owners make informed decisions.

Stating that “The SRTI is not a performance standard nor a rating exercise; neither will it rank nor assess individual ship owners’ policies and practices.” the question remains open how exactly the SRTI imagines ship recycling to look like. Furthermore it does not take commercial aspects like market prices into account.

Although some Owners like Hapag Lloyd are not recycling their Vessels in India in order to circumvent recycling operations in the intertidal zone, e.g. Maersk has a more practical approach by stating in their recycling policy that it is “going beyond the Hong Kong Convention in that it does not allow contact in the intertidal zone with blocks from primary cutting”. Maersk has shortlisted four Facilities in India that can fulfill this requirement.

For a low annual fee Owners, Cargo Owners and Financial Stakeholders can sign up for the time being though the supply side is not yet widely represented. Only the Indian Priya Blue Facility that is associated with the Cash Buyer Best Oasis is representing the supply side has signed up.

For more visit: <https://www.shiprecyclingtransparency.org/>

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YARD OF THE WEEK: LEELA SHIP RECYCLING PVT. LTD. (INDIA)

Recycling Standard / Certification



Located at the shores of Alang in Gujarat, India, the Leela Ship Recycling Facility is a fully Hong Kong Convention compliant (Class NK) Yard that is associated with the well-established and connected Leela Group that operates three Plots at Alang Ship Recycling Zone for dismantling and recycling activities.

In addition to Plot no. 2 that we are covering this week the Leela Group operates Plot no. 35 (Leela Green Ship Recycling) and Plot no. 84D (Efcee Global Ship Recycling Pvt. Ltd.) that combine an annual recycling capacity of roughly 150.000 lt/ldt.

The diversified Group is captained by Mr Komalkant F. Sharma, the Chairman and Managing Director (also the brother of the well known Mr. Anil Sharma who is heading the worlds largest Cash Buyer of Vessels GMS).

- Certified for ISO Standard 9001:2008 (GL, Management System)
- Certified for ISO Standard 14001:2009 (GL, Environmental Management Systems)
- Certified for ISO Standard 30000:2009 (Ship Recycling Management System)
- Certified for OSHAS Standard 18001:2007 (Occupational Health and Safety Management)
- Statement of Compliance with the Hong Kong Convention (Class NK, 2015), Leela Ship Recycling Pvt. Ltd, Plot No 2, was one of the first yards in Alang, India, which obtained an SOC from HKC for Class NK.

The Recycling Facility has also applied to be included into the EU List of ship recycling facilities (EU SRR No. 1257 / 2013) and has an annual recycling capacity of approximately 70.000 lt/ldt and a breadth restriction of roughly 86 meters. The Yard employs around 40 employers permanently and while dismantling operations are taking place up to 200 workers.

- **Method:** Intertidal Beaching

- **Equipment:**

- 4 high capacity winches (load sharing)
- 3 crawler cranes for material transfer and loading on the plot
- 7 Chains for anchoring multiple Vessels
- 7 Chain pulley blocks for a safe anchoring process

- **Waste Management:** Every Vessel that is being recycled goes through an environmental impact analysis and based on the results precautions, environmental testing (sea water, Yard soil testing and noise testing) and a controlled infrastructure are being planned in order to minimize any potential harm

The Facility has successfully demolished 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.leelagreenship.com/>

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