

DG WEEKLY 39 / 2020 | www.demogate.com

INDICATIVE DEMO VALUES

Weekly Change
- 60.000\$
Value

4,5 usdm (Dely Bangla)



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

Container

Weekly Change
- 40.000\$
Value

3,1 usdm (Dely Bangka)



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

Bulker

Weekly change
- 70.000\$
Value

5,5 usdm (Dely Bangka)



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

Tanker

Weekly change
- 30.000\$
Value

0,69 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 %	330 (325)	350 (345)	315 (310)	374
Bangladesh¹⁾	- 2 %	360	370	350	378
Pakistan	- 3 %	355	365	345	372
Turkey²⁾	stable	205 (200)	215 (210)	195 (190)	253

*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

After a couple of smaller units were sold mainly into Pakistan last week, in terms of concluded sales it has been a rather quiet week.

Having said this, a lot is happening! While the appetite for new tonnage from Pakistan diminished to a certain extent the **Bangladeshian market** was making headlines this week with **Breakers forming a 'cartel'**.

The cartel is acting as purchasing committee in order to make buying decisions for end Buyers. The idea is to control speculative purchases and limit price inflation which has skyrocketed lately to usd 400 per lt/ldt levels.

Now the Cartel is quoting usd 350-360 per lt/ldt levels for VLOC tonnage.

International Cash Buyers have to propose and sell their vessels via the committee until further notice. It remains to be seen how long the cartel will be maintained.

In **India** the steel plate prices came under pressure this week and operations were affected by a shortage of oxygen in the market for cutting operations. While at the beginning of the week prices for Plates were quoting in excess of usd 390 per ton today prices were down to usd 375 per ton.

The **Turkish market remained** stable over the week although the Aliaga recycling area is packed with decommissioned Cruise Vessels and other Units.

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 Transocean	Bulk	5.262	1982	JPN	Dely Karachi	~ \$ 360
Sold for final Breakup in Pakistan – Flag: Panama						
MV Tailwind	GC	5.403	1989	POL	Dely Aliaga	n.a.
Sold for final Breakup in Turkey – Flag: Liberia						

Total Demolition	2020 ytd		2019	
Bulk	9.191.634 dwt	81 (81) vessels	7.880.246 dwt	93 vessels
Tank	1.369.047 dwt	38 (38) vessels	4.427.162 dwt	87 vessels
Container	158.842 TEU	63 (62) 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: HISTORY OF SHIP RECYCLING *in Turkey*

Today Aliaga, which is located on a peninsula of the Izmir province in Turkey, on the shores of the Aegean Sea, is the biggest ship recycling hub in the Mediterranean and following China's disappearance from the international ship recycling landscape the number 4 destination worldwide.

In the year to date, 87 vessels with a total ldt of around 600.000 mts have been recycled in Aliaga. The importance of the destination has been pushed by the EU Ship Recycling Regulation and the fact that it is an OECD country (Basel Convention). Turkey is the only destination with facilities on the EU list that can pay competitive prices.

Dismantling activities in their current form started in the mid-1970s after Mr. Ahmet Karamanci dismantled two vessels on the peninsula. In 1976 the Turkish Council of Ministers declared the area officially to be a ship recycling zone. A solid legal framework was instigated via the Turkish ship dismantling regulation in 1986.

After a couple of Turkish flagged vessels had been demolished to start, foreign ships were also permitted on the basis of a scrap import license obtained on a case by case basis by individual facilities.

The Turkish Steel market is the the 8th largest for crude steel production and the 2nd largest manufacturer in Europe while also one of the leading importers of ferrous waste and scrap. The Izmir region is one of the four hot spots in Turkey for the steel industry.

Although there has been a historical gap in prices of roughly usd 120 per mt/ldt (last 3 years average) compared to the sub-continent destinations, Turkey's landing method has been accepted by the EU and currently eight Facilities are offering ship recycling as per the highest standards.



The ship-breaking yards in Aliaga, Turkey, packed with decommissioned tonnage for breakup.

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YARD OF THE WEEK:

EGE GEMI SÖKUM SAN. VE TIC. A.Ş. (TURKEY)



Recycling Standard / Certification



*not in the EU list



GREEN SHIP RECYCLING

Located on the shores of Aliaga, Turkey, the Hong Kong Convention compliant (Lloyds Register) Ege Gemi Ship Recycling Facility is a well-established Yard that started ship recycling activities in 1990 and today operates Plot no. 17 (see below map) at Aliaga Beach for dismantling and recycling activities.

The family business is being led by Mr. Mesut Yolcu and has a track record with international owners demanding very high standards in line with the Hong Kong Convention that yet has to enter into force.

The Facility has been recycling more than 200 Vessels of all types including Bulk Carriers, Research Vessels, River type Units, Fish Trawlers, Reefer Ships, Container Vessels, Submarines, Tugboats and Tankers over the decades.

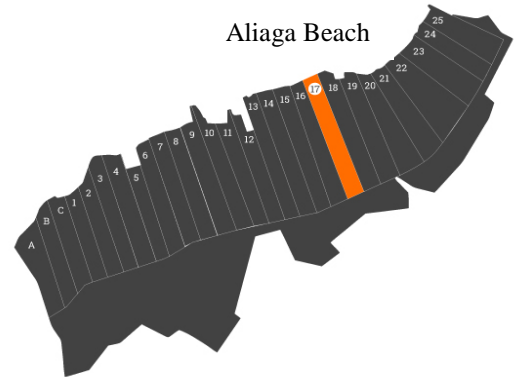
Track record



The Facility envisions itself as a key facility for green recycling services and has applied to be included on the EU SRR list. It operates an area of around 14.500 Sq. meters with a breadth of approximately 50 meters.

For more info: <https://egegemi.com.tr/>

- Certificate of Compliance to EU_SRR (EU 1257/2013)
- Statement of Compliance with the Hong Kong Convention
- Certified for ISO Standard 9001 (Quality Management System)
- Certified for ISO Standard 14001 (Environmental Management System)
- Certified for ISO Standard 45001 (Occupational Health and Safety System)
- Certified for ISO Standard 30000 (Ship Recycling Management Systems)



The Facility operates a large machinery park in order to recycle vessels and process steel in a short time on the impermeable floor on which cutting operations are taking place, in order to prevent contamination of the beach and water.

The Facility furthermore maintains Ship Recycling, Environmental and Work Health and Safety Systems and is certified by Lloyds Register.

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