

# DG WEEKLY 40 / 2020 | www.demogate.com

## INDICATIVE DEMO VALUES

Weekly Change  
- 60.000\$  
Value

**4,5 usdm** <sup>(Dely Bangla)</sup>



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

**Container**

Weekly Change  
- 40.000\$  
Value

**3,0 usdm** <sup>(Dely Bangka)</sup>



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

**Bulker**

Weekly change  
- 70.000\$  
Value

**5,4 usdm** <sup>(Dely Bangka)</sup>



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

**Tanker**

Weekly change  
unchanged  
Value

**0,69 usdm** <sup>(Dely India)</sup>



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>
<b>India</b>	- 2 %	330 (320)	350 (345)	320 (315)	374
<b>Bangladesh<sup>1)</sup></b>	- 2 %	355	365	345	378
<b>Pakistan</b>	stable	355	365	345	372
<b>Turkey<sup>2)</sup></b>	- 2 %	205 (200)	215 (210)	195 (190)	252

\*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

Since the pick-up in container vessel charter rates we haven't seen many vessels under serious consideration for demolition purposes, although some Bulkers and Offshore structures are actively being discussed.

Cash Buyers proposed tonnage to the 'Cartel' in Bangladesh, although we haven't heard of a vessel being committed so far. Discussed levels are around usd 30 lower compared to 'pre-Cartel' levels.

We heard of discussions in Pakistan at competitive levels on another VLOC though haven't heard if the deal materialized yet. In India it was another relatively quiet week though the US-flagged Mississippi River has been snapped up for HKC compliant recycling.

The Turkish market softened slightly on the back of shrinking HMS prices and yet again the Lira came under pressure now quoting a ten year low at around 0,13 TRY/USD.



Aliaga Beach is crowded with decommissioned Vessels.

## 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
<b>MV Mississippi Enterprise</b>	Bulk	8.100	1980	JPN	Dely Port Suez	~ \$ 317
<b>Sold for Green Recycling and final Breakup in a HKC compliant Yard – Flag: USA</b>						
<b>MV FSO Angsi</b>	Tank	14.750	1982	JPN	Dely Malaysia	~ \$ 240
<b>Sold for final Breakup in the sub-continent – Flag:</b>						

Total Demolition	2020 ytd		2019	
Bulk	10.135.632 dwt	86 (81) vessels	7.880.246 dwt	93 vessels
Tank	1.423.807 dwt	41 (38) vessels	4.427.162 dwt	87 vessels
Container	160.058 TEU	64 (63) 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 FUTURE OF SHIP RECYCLING *as we see it*

Reminiscing about the 2010 Dubai Tradewinds Recycling Forum and its motto – ‘REALITY CHECK’ – the need to sit back and take stock seems more important today than it was then. Despite trumpeted claims of progress from many of the industry’s stakeholders, in many respects the world of ship recycling world does not look to have changed much.

One of the 2010 forum’s main sponsors was cash buyer DTA, whose principal Tahir Lakhani is now facing a multi-million Dollar claim in an ongoing court case. No binding worldwide regulation is in force and only one out of forty-seven yards in Bangladesh has a Statement of Compliance (SOC) for Hong Kong Convention (HKC) recycling.



*You could be forgiven for assuming that ship recycling is the same old buccaneering trade that earned the industry its hazardous, opaque reputation in the first place!*

**In fact much has changed for the better since 2010!, with genuine improvements effected in recycling facilities in India, Turkey and Bangladesh.**

A new Bimco Recyclecon contract has been developed and an increasing number of ship owners and operators are actively selecting HKC certified yards even though they are not yet required to by their vessels’ flag states. This concerted action has had a limiting effect on the opportunistic behavior of Cash Buyers and associated substandard recycling practices.

To cite Captain Spock from Star Trek: “Change is the essential process of all existence” – and so ship recycling will inevitably continue to change, for the moment in line with the eco-friendly spirit of our age. More concretely, it is certain that Yards will play a vital role in the years to come and find themselves more directly involved with ship-owners at all stages of the demolition process.

[Check out the full article by clicking this link.](#)

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**YARD OF THE WEEK:**  
**CHANGJIANG** Ship-Breaking Yard (CHINA)



Changjiang Ship-Recycling Yard was founded in 1998 and with an impressive area of 1.5 million Sq. meters and building space of more than 80.000 Sq. meters the Facility is one of the largest in the world. The yard occupies 5100 meters of the Yangtze River waterfront line and owns four docks. It has the capability to dismantle 10 vessels, over 10,000 LDT each, at the same time.

The facility is located in the New Port Area of Jiangyin City Jiangsu Province, which is very well located with: **Shanghai City** to the east, Taihu Lake to the south, Changzhou City to the west, and the Yangtze River to the north. Presently its annual recycling capacity is around 1 million lightweight tons.

The ban on import of non-domestic Vessels that has been effective since end of 2018 has put pressure on players in the Chinese recycling industry to transform their business models

Track record



**In 2012 374 Vessels were recycled in Chinese yards, in 2017 still 133 Vessels and after the ban materialized only 19 Vessels have been recycled in 2019 and ytd only 6 Vessels.**

As one of the founding fathers of the ISRA (International Ship Recycling Association) the Yard aims to set highest standards to the environmental protection that is highly respected by the yard.

The Yard also has a newbuilding arm that is called Zhoushan Changhong that is also associated with Ouhua Shipyard. The Facility furthermore maintains Ship Recycling, Environmental and Work Health and Safety Systems

For more info: <http://www.cjshipbr.com>



- Certified for ISO Standard 9001 (Quality Management System)
- Certified for ISO Standard 14001 (Environmental Management System)
- Certified for OSHAS Standard 18001 (Occupational Health and Safety System)

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 Water. The prevailing recycling method that is being performed is `At Pier` recycling and the blocks are being lifted to the shore with heavy duty Cranes.

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