

DG WEEKLY 41 / 2020 | www.demogate.com

INDICATIVE DEMO VALUES

Weekly Change
+ 100.000
Value

4,6 usdm (Dely Bangla)



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

Container

Weekly Change
+ 140.000
Value

3,2 usdm (Dely Pakistan)



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

Bulker

Weekly change
+ 180.000
Value

5,7 usdm (Dely Pakistan)



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

Tanker

Weekly change
unchanged
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	stable	340 (330)	355 (345)	330 (320)	374
Bangladesh¹⁾	stable	355	365	345	378
Pakistan	+ 3%	375	385	365	372
Turkey²⁾	stable	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

While charter rates remain very attractive on the Container side and positive sentiment in the Dry sector is prevailing, the supply of fresh tonnage is relatively low.

In Bangladesh the 'Cartel's' purchasing committee has been actively committing a damaged Bulk Carrier basis delivery in Chittagong at levels of \$345 after the previous deal failed basis delivery in Indonesia. Also a decommissioned fishing Vessel has been committed by the 'Cartel'.

Pakistani Breakers still have an appetite for Vessels although most yards are full of tonnage and a softening in price is been expected. **For the time being prices remain very firm!** We have been hearing that another VLOC got sold at \$380 and two 10k ldt Bulk Carriers were committed at levels of \$375 per lt/ldt!

In India prices are expected to rise a bit in the coming weeks, although this week Plate prices came down to \$378 per ton and melting scrap is trading at \$324 as of today.



CONTACT

DemoGate Ship Recycling

c/o BRS Group
Neuer Wall 52, 20354 Hamburg, Germany

Phone +49 40 333 966 9959
Email support@demogate.com
Web www.demogate.com

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 Continental Highway	PCC	15.100	2001	JPN	Dely Alang	~ \$ 345
Sold for Green Recycling and final Breakup in a HKC compliant Yard in India – Flag: Panama						
MV Shanti Indah	Bulk	7.322	1996	JPN	Dely Chittagong	~ \$ 345
Sold to the `Cartel` again after the previous as is, Indonesia sale failed. The Vessel can't sail under own power – Flag:						

Total Demolition	2020 ytd		2019	
Bulk	10.224.491 dwt	89 (86) vessels	7.880.246 dwt	93 vessels
Tank	1.423.807 dwt	41 (41) vessels	4.427.162 dwt	87 vessels
Container	173.389 TEU	70 (64) 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: SHIP RECYCLING in Pakistan

Around 28 kilometers northwest of Karachi, which is Pakistan's financial capital, beats the heart of the country's lucrative ship recycling industry. This year it has been pumping fast in a race of rallying prices in the sub-continent.

Although Bangladesh had a busy start to the year and offered top Dollar for commercial tonnage, Pakistan came back and its yards stocked-up on tonnage. While the appetite is still there, prices have settled and fewer deals were concluded recently, but also due to a lack of available candidates.

After an 'on off' market over the last decade it remains to be seen if the impressive and busy re-opening is sustainable and if the country's recyclers can move forward towards the adoption of the standards lined out in the Hong Kong Convention any time soon.

To date no Yard has been awarded with a statement of compliance with the standards set out in the Hong Kong Convention, though the will is there to jump on the green bandwagon. There are more than 130 Plots (usually leased for 99 years) but most of the Facilities own more than 1 Plot and respectively around 40 yards are operating as of today.

Ship Recycling in Gadani started in the 1960s and gathered momentum in the 70s, becoming an organized industry. Compared to Alang the Gadani Beach strip has the advantage of the tide being only between 1-3 meters meaning that beaching operations can be carried out without much waiting time.

In 2020 year to date, 49 Vessels accounting for 2.056.666 dwt have been landed and are in the process of being recycled. Several large VLOC units have arrived recently and are awaiting cutting.



CONTACT

DemoGate Ship Recycling
 c/o BRS Group
 Neuer Wall 52, 20354 Hamburg, Germany

Phone +49 40 333 966 9959
 Email support@demogate.com
 Web www.demogate.com

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

YARD OF THE WEEK:

NEW CHOICE ENTERPRISES Ship-Breaking Yard (PAKISTAN)



The Ship Recycling Facility is located at Pakistan's famous Gadani Beach where ship recycling activities along with prices have skyrocketed this year making the country the 'top Dollar' nation in the sub-continent for commercially recycled tonnage.

The family owned yard's ship breaking activities started in 2008 when Mr. Haji Alam bought a 500 mt vessel for recycling purposes. In 2015 New Choice Enterprises was founded and today operates Plot no. 9 & 10 and Plots 42 & 43 in the Gadani Ship recycling Zone. The double-plots are roughly 70 meters wide.

The Facility maintains an approximate annual recycling capability of up to 125.000 lightweight tons. Up to 600 Workers are employed when recycling activities are taking place and more than 60 Staff are engaged on a permanent basis.

Track record



Although the Facility has only operated under the brand of New Choice Enterprises since 2015, the family business has been active since 2008 and processed around 200 vessels of all types including Container Vessels, Tankers and Dry Cargo Units and has been recognized as a top tax payer in Pakistan.



Certification:

- Certified for ISO Standard 9001:2015 (Quality Management System)
- Certified for ISO Standard 14001:2015 (Environmental Management System)
- Certified for ISO Standard 18001:2007 (Occupational Health and Safety System)

The Facility aims to become one of the early adopters of the international Hong Kong Convention and is actively planning to upgrade its facility in order to be ready once the regulation comes into force but also in order to attract vessels that would otherwise be bound for Alang, since more and more Owners require HK standards from end breakers.

Although this goal remains some way off and a couple of hurdles have to be cleared from a regulatory and infrastructure perspective, a good start has been made by the Facility's Owners, who envision a future for green ship recycling in a similar way to the PHP Ship Breaking Group in Bangladesh.

CONTACT

DemoGate Ship Recycling

c/o BRS Group
Neuer Wall 52, 20354 Hamburg, Germany

Phone +49 40 333 966 9959
Email support@demogate.com
Web www.demogate.com

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