

# DG WEEKLY 43 / 2020 | www.demogate.com

## INDICATIVE DEMO VALUES

Weekly Change  
+ 120.000\$  
Value

**4,7 usdm** (Dely Pakistan)



2500 TEU / 12.432 mts ldt /  
~ 26 (25) years\*

**Container**

Weekly Change  
+ 80.000\$  
Value

**3,2 usdm** (Dely Pakistan)



72.000 DWT / 8.872 mts ldt /  
~ 30 (28) years\*

**Bulker**

Weekly change  
+ 200.000\$  
Value

**5,6 usdm** (Dely Pakistan)



75.000 DWT / 15.505 mts ldt /  
~ 30 (31) years\*

**Tanker**

Weekly change  
+ 30.000\$  
Value

**0,7 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 <sup>3)</sup>
<b>India</b>	+ 3 %	355 (345)	365 (355)	345 (335)	375
<b>Bangladesh<sup>1)</sup></b>	stable	355	360	355	378
<b>Pakistan</b>	+ 4 %	375	385	365	376
<b>Turkey<sup>2)</sup></b>	stable	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

While the Container market remains hot and not many Vessels are being seriously evaluated as scrap candidates, it remains to be seen how long the rally will last. We are expecting tanker disposals to accelerate in the months to come. The US election is causing some general uncertainty across the board.

While a second Covid-19 wave is becoming an increasing threat, the market in **Pakistan** remains very firm at levels in the high \$300s and respectively Vessels are heading towards Gadani as the highest paying destination.

In **Bangladesh** the so called 'Cartel' is still pricing vessels around \$350 levels, although with a limited number of units on the supply side.

The market in **India** was stronger this week and prices have been rising to healthier levels, closing the gap to Pakistan a bit. The RoRo 'Rockies Highway' fetched a very strong \$370 for Hong Kong Convention compliant recycling.



## 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 Rockies Highway	RoRo	12.850	1994	JPN	Dely Alang	~ \$ 370
Sold for HKC compliant recycling, India – Flag: Panama						
MV Almada	Tank	17.000	1998	KRS	Dely Gadani	~ \$ 390
Sold for final Breakup in Pakistan – Flag: Liberia						
MV Span Asia 1	Cont	3.200	1982	GER	Dely Chittagong	~ \$ 361
Sold for final Breakup in Bangladesh – Flag: Philippines						

Total Demolition	2020 ytd		2019	
Bulk	11.381.261 dwt	99 (90) vessels	7.880.246 dwt	93 vessels
Tank	1.554.297 dwt	45 (41) vessels	4.427.162 dwt	87 vessels
Container	177.236 TEU	73 (71) vessels	199.891 TEU	100 vessels

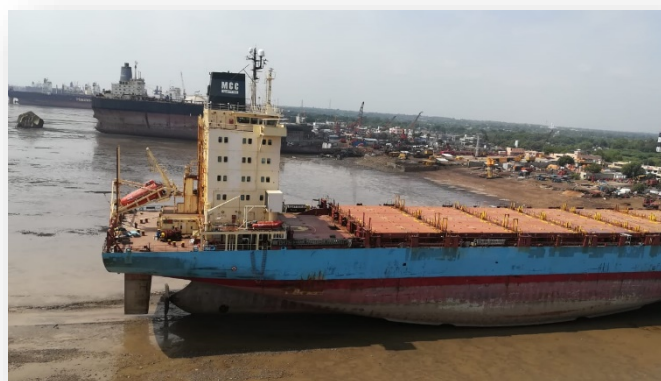
\*Last week's numbers are being shown in brackets / we are reporting actual deletions (beached or at the yard), the number of Vessels sold for demolition varies

## SNAPSHOT: SHIP RECYCLING in India

After last week's news on the appointment of a new Director General to oversee ship recycling operations in Alang, in this week's snapshot we are reflecting on recycling activities in Alang, India, where around 30.000 people are employed in the recycling business. More than 100 Facilities are operate in Alang with almost 70% having achieved compliance certifiates for the HKC from international class societies.

In the year to date a total of 110 Vessels were beached and either have been or are in the process of being recycled on the shores of Alang. In terms of numbers of Vessels this represents ~37% of the recycled Vessels worldwide (290 Vessels ytd). In terms of DWT deleted from the trading fleet the share of 4.294.991 mts represents ~25%. The average age of units recycled stands at 29 years.

India is today by far the most important destination for Hong Kong Compliant ship recycling and many Facilities have invested huge amounts into their infrastructure. According to the Rrecycling of Ships Act 2019, from 2021 all Vessels must carry an IHM on board in order to obtain port clearance.



During the summer this year plans of the government in Gujarat were revealed to re-start recycling activities at Sachana (Jamnagar district, one bay north of Alang / ~350 nm). Shipbreaking was stopped in Sachana after disputes with Breakers in 2012. Once operational again, its focus would centre on small to medium size tonnage and reactivate around 10 Yards with approximately 150.000 mt/ldt p.a. capacity. It is expected that up to 10.000 jobs along the shoreline and in the hinterland can be generated.

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## YARD OF THE WEEK: SACHDEVA GROUP (INDIA)



Situated on the shores of Alang in Gujarat, India, Sachdeva Group owns and operates two fully Hong Kong Convention compliant (Class NK) recycling Facilities: Plot No. 65 and 66 at Alang Ship Recycling Zone for dismantling and recycling activities.

The Facility has a track record with international top owners like China Navigation, APL, MOL, MSC, TransOcean and NYK that are demanding highest standards that even go beyond the requirements set out in the Hong Kong Convention (that yet has to enter into force).

The family owned business started its ship recycling activities with Madhav Industrial Corporation that is now operating under the name Sachdeva Steel Products and has been involved in the industry since ship breaking activity started at Alang in 1983. To further expand the business the Group established another Facility in the 1998 under the name of Jai Jagdish Ship Breakers Pvt. Ltd.

The Group is being headed by Managing Director Mr. [Devang Gujarati](#).

Track record



The Size of the Facility is around around 5.000 Sq. meters and the theoretical recycling capacity is around 100.000 lt/ldt per year. The Facilities have been recycling more than 70 Vessels over the decades.

Recycling Standard / Certification



### Certification:

- Statement of Compliance with the Hong Kong Convention (Class NK, 2019)
- Certificate of Compliance with the requirements set out in (EU) No. 1257/2013 (Class NK, 2020)
- Certified for ISO Standard 9001:2015 (Quality Management System)
- Certified for ISO Standard 14001:2015 (Environmental Management System)
- Certified for ISO Standard 45001:2018 (Occupational Health and Safety System)
- Certified for ISO Standard 30:000:2009 (Ship Recycling Management System)

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://sachdevagroup.in/>

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