

DG WEEKLY 44 / 2020 | www.demogate.com

INDICATIVE DEMO VALUES

Weekly Change
+ 60.000\$
Value
4,8 usdm (Dely Pakistan)



2500 TEU / 12.432 mts ltd /
~ 26 (25) years*
Container

Weekly Change
+ 80.000\$
Value
3,3 usdm (Dely Pakistan)



72.000 DWT / 8.872 mts ltd /
~ 30 (28) years*
Bulker

Weekly change
+ 80.000\$
Value
5,8 usdm (Dely Pakistan)



75.000 DWT / 15.505 mts ltd /
~ 30 (31) years*
Tanker

Weekly change
+ 10.000\$
Value
0,7 usdm (Dely India)



2800 DWT / 2.123 mts ltd
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	+ 3 %	360 (350)	370 (365)	350 (345)	375
Bangladesh¹⁾	stable	355	360	355	378
Pakistan	+ 3 %	380	390	370	376
Turkey²⁾	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)

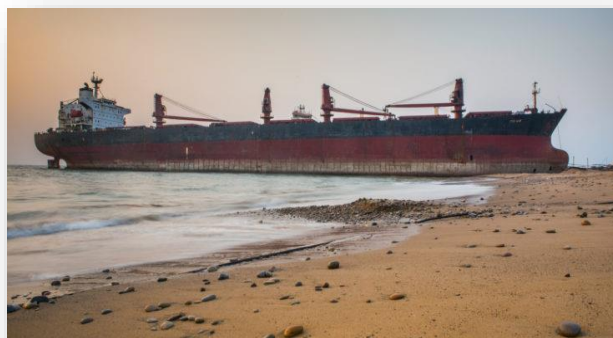
COMMENT

Yet again **Pakistan** is making headlines with strong prices for prompt tonnage and while two further VLCOs obtained prices in excess of \$390 another Bulk Carrier achieved \$385 levels. These healthy numbers are backed by fundamentals and currency appreciation against the \$. Positively the market opening seems to be sustainable in Pakistan and appetite remains strong leaving other markets behind on purely commercial (non-HKC) tonnage.

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

The market in **India** has witnessed the sale of the cruise vessel 'Karnika' at a strong \$11.65 mio based on good inventories.

A Bulk Carrier in its final parking position 'on the beach' in Gadani, Pakistan, ready for dismantling operations.



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 Karnika	Cruise	31.046	1994	ITL	Dely Alang	\$11.65 mio
Sold for HKC compliant recycling, India (3.100 mt permanent ballast) – Flag: Panama						
MV Welview	Bulk	17.000	1989	JPN	Dely Gadani	~ \$ 385
Sold for final Breakup in Pakistan – Flag: Panama (converted from Tanker to Bulk in 2008)						
MV Stellar Ocean	VLOC	38.400	1994	JPN	Dely Gadani	~ \$ 390
Sold for final Breakup in Pakistan en-bloc with sister vessel `Stellar Liberty` – Flag: Marshall Islands						

Total Demolition	2020 ytd		2019	
Bulk	11.429.392 dwt	100 (99) vessels	7.880.246 dwt	93 vessels
Tank	1.618.345 dwt	47 (45) vessels	4.427.162 dwt	87 vessels
Container	178.707 TEU	74 (73) 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: RECYCLING METHODS - BEACHING

Beaching is by far the dominant recycling method in use. Currently about 75% of tonnage demolished is being 'beached'.

Beaching is possible on the tidal beaches of Bangladesh, India and Pakistan with varying tidal ranges and environmental conditions. Vessels are beached during high tides in Bangladesh and India though in Pakistan the tidal range is very low and beaching operations can be performed at any time. By ballasting, de-ballasting and removing weight, vessels can maintain their position or can be winched closer to shore. Vessels are then cut into blocks which are pulled or lifted ashore, depending on Recycling Facilities' capabilities.

Recycling Facilities that comply with the Hong Kong Convention make sure that no hazardous materials or oil have contact with sand or water. Blocks that are cut to fall onto the beach are cleaned before felling, while other blocks are cut in such a way that they fall inwards, into the ship. Blocks are then lifted or winched ashore, with appropriate measures taken to protect the local environment.



Although 'ship recycling reality' = 'beaching', the method is heavily criticized by environmental organizations. Criticism is centered on the potential risk of hazards to the environment, concerns about unsafe working conditions and handling of hazardous materials. While cutting blocks landed on the beach in Turkey is accepted (Landing Method), so far the efforts of sub-continent yards - mainly in India - that have created infrastructure solutions in order to prevent contamination of the intertidal zone have been ignored by the EU.

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YARD OF THE WEEK: DDR VESSELS (SPAIN)

Recycling Standard / Certification



VESSELS

DECONTAMINATION, DISMANTLING & RECYCLING

Situated on the shores of Gijon in the Principality of Asturias, Spain, the EU approved and listed recycling Facility is the only one operating in Spain.

It can accommodate Vessels of up to 180 meters length and 25 meters breadth. The recycling method in use at the yard is 'At Pier recycling' / the 'Alongside' method.

The Yard as it operates today was started around 10 years ago by Mr. Jesus Picatto and Antonio Barredo. The pair were later joined by the Suardiz Group and Mr. Ruben Fernandez.

Although the theoretical capacity of the yard being taken into account by the EU list is around 60.000 metric tonnes per year, its actual involvement in commercial recycling activities is limited not only by the dimensions of the Facility but also due to the fact that the Turkish market pays more competitive prices also for EU flagged tonnage.



Track record



Certification:

- Certificate of Compliance with the requirements set out in (EU) No. 1257/2013
- 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 30:000 (Ship Recycling Management System)

The Facility has completed various recycling projects including demolition of Fishing Trawlers, Research Vessels and Tugs.

For more information visit: <https://ddr-vessels.com/>

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