

DG WEEKLY 47 / 2020 | www.demogate.com

INDICATIVE DEMO VALUES

Weekly Change
+ 120.000\$
Value

4,7 usdm (Dely Pakistan)



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

Container

Weekly Change
+ 80.000\$
Value

3,3 usdm (Dely Pakistan)



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

Bulker

Weekly change
+ 150.000\$
Value

5,5 usdm (Dely Pakistan)



75.000 DWT / 15.505 mts ldt /
~ 30 (27) 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 ³⁾
India	+ 3 %	360 (350)	380 (375)	350 (345)	377
Bangladesh¹⁾	+ 2 %	360	365	355	380
Pakistan	+ 5 %	385	395	375	375
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

We have heard of indications exceeding the \$ 400 per lt/ldt mark in Pakistan this week for tonnage with good specifications. Last week the Tanker 'New Paros' fetched a very bullish \$407 basis delivery at Gadani beach, Pakistan.

After the first wave of infections interrupted ship recycling operations worldwide the second Covid-19 wave seems in full swing but is not harming operations or sentiment. Healthy fundamentals paired with a vaccine in sight are driving Buyers' appetites. At the same time good charter rates for Container Vessels and Bulk Carriers are keeping them off the beaches.

Prices for melted scrap increased by \$20 to \$370 per mt and plate prices in Alang trading at \$397 per mt. Buyers are keen to secure tonnage.

A huge Bulk Carrier waiting to be recycled and cut at its final destination in Alang, India.



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 It/Idt
MV Gdynia	Bulk	12.960	1981	JPN	Dely Spore	~ \$ 358
Sold for final Breakup in a HKC compliant yard – Flag: Mexico (Converted 2005 to Self Discharger)						
MV New Paros	Tank	16.696	1998	JPN	Dely Gadani	~ \$ 407
Sold for final Breakup in Pakistan – Flag: Panama						

Total Demolition	2020 ytd		2019	
	Bulk	11.549.093 dwt	105 (103) vessels	7.880.246 dwt
Tank	1.789.454 dwt	54 (51) vessels	4.427.162 dwt	87 vessels
Container	188.344 TEU	79 (76) 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 Dry Dock & Pier / Alongside

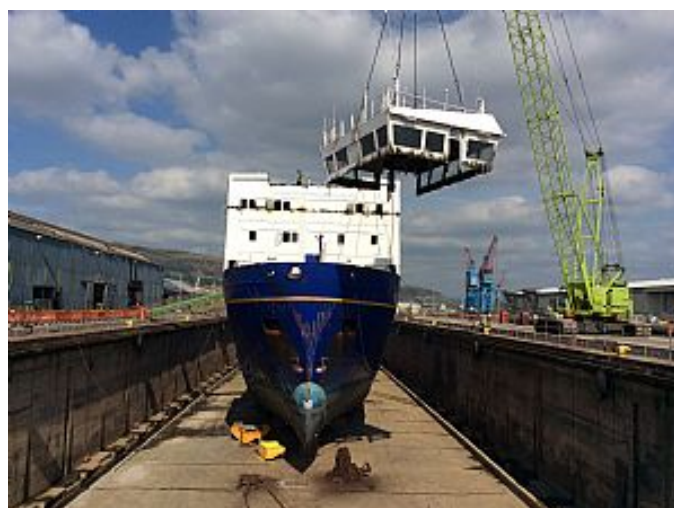
Recycling in a Dry Dock combines the advantages of solid infrastructure with secondary containment that protects water from direct contact with the ship and its hazardous materials during the recycling process. The environmental advantage is a commercial disadvantage on the other hand.

High costs for this method and the lack of Dry Docks available for recycling purposes makes the method unattractive for commercial recycling. The number of Vessels being recycled in Dry Docks is lower than 2% according to a study carried out by GSR Services in 2013.

The same study found that about 20% of tonnage is being recycled via the Pier / Alongside method each year. Ship Recycling Facilities in China and Europe mainly practice this method. Compared to a Dry Dock there is no second floor which prevents direct contact with the water. Ship stability must also be carefully monitored and maintained.

Vessels are cut from top to bottom and parts are winched or lifted directly to shore-based facilities that usually have a solid processing infrastructure.

From a purely commercial standpoint both methods are disadvantageous compared to beaching or landing simply because occupied port & dock facilities cost money.



A Vessel is being recycled in the UK based Swansea Drydock.

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: LEELA GREENSHIP RECYCLING PVT. LTD. (INDIA)



Located on the shores of Alang in Gujarat, India, the Leela Greenship Recycling Facility, Plot No. 35, is a fully Hong Kong Convention compliant (Class NK) Yard, with eight layers of impermeable flooring and is associated with the well-established Leela Group that operates four Plots at Alang Ship Recycling Zone for dismantling and recycling activities.

In addition to Plot No. 35 that we are covering this week, Plot No. 02 (Leela Ship Recycling Pvt Ltd), Plot No. 84D (Efcee Global Ship Recycling Pvt. Ltd.) and Plot No. 01 (Leela Responsible Recycling LLP) that combine an annual recycling capacity of roughly 200,000 mt/ldt.

The diversified Group is captained by Mr Komalkant F. Sharma, the Chairman and Managing Director. The Ship recycling division is headed by his son-in-law Mr Vishaal Raj Soni, Director (Operations), who also leads green ship recycling which is guided by Mr Prabhat Kumar, VP-HSEQS/Naval Architect, along with his experienced and well qualified HSE team.



Track record



Recycling Standard / Certification



- Certified for ISO Standard 9001:2015 (ABS, Quality Management System)
- Certified for ISO Standard 14001:2015 (ABS, Environmental Management Systems)
- Certified for ISO Standard 30000:2009 (ABS, Ship Recycling Management System)
- Certified for OSHAS Standard 45001:2018 (LR, Occupational Health and Safety Management)
- Statement of Compliance with the Hong Kong Convention (Class NK, 2018), Leela Ship Recycling Pvt. Ltd, Plot No 2, was one of the first yards in Alang, India, which obtained an SOC from HKC

Two of the Group's Recycling Facilities (Plot 2 & 35) have applied to be included into the EU List of ship recycling facilities (EU SRR No. 1257 / 2013) and have an annual recycling capacity of approximately 60.000 lt/ldt each and a breadth restriction of roughly 80 and 40 meters. Leela Group employs around 150 employees permanently and when dismantling operations are taking place up to 600 workers.

The Facility has successfully completed a huge number and variety of around 100 different recycling projects, including Car Carriers, Live Stock Carriers, Research Vessels, Bulk Carriers, Container Vessels and Tankers.

For more information visit: <http://www.leelagreenship.com/>

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.