

# DG WEEKLY 1 / 2021 | www.demogate.com

## INDICATIVE DEMO VALUES

Weekly Change  
+ \$140.000  
Value  
**5,7 usdm** (Dely Bangla)



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

Weekly Change  
+ \$100.000  
Value  
**3,9 usdm** (Dely Bangla)



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

Weekly change  
+ \$180.000  
Value  
**7,0 usdm** (Dely Bangla)



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

Weekly change  
+ \$50.000  
Value  
**0,9 usdm** (Dely Bangla)



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>
India	+ 3 %	430 (420)	440 (430)	420 (410)	377
Bangladesh <sup>1)</sup>	+ 5 %	460	470	450	379
Pakistan	+ 5 %	445	455	435	375
Turkey <sup>2)</sup>	+ 3 %	285	290	280	250

\*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 8 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 The Bulls on the run

During the summer, with the world still effectively in the midst of the Covid-19 crisis, hardly anyone would have imagined that 2021 would start with the bullish prices and sentiment that we are witnessing at the moment. Given that the pandemic is far from being over it remains to be seen how sustainable the current price situation will stay.

Buyers and breakers in Bangladesh are pressing ahead with indications in the high \$400s for the 'right' vessel. These strong prices are backed by great appetite but also healthy steel prices. The same goes for Pakistan and even India is indicating prices in the mid \$400's.

The Turkish market is also now trading above the 3 year average and prices are close to touching the \$300 mark again.

*Cut into pieces! A vessel undergoes recycling operations 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 lt/ldt
<b>MV Carol HK</b>	Bulk	~13.200	1991	KRS	Dely Chittagong	~ \$ 475
Sold for final Breakup in Bangladesh en bloc with sister `Bernie HK` – Flag: Panama						
<b>MV Sinotrader</b>	VLOC	38.700	1993	KRS	Dely Chittagong	~ \$ 440
Sold for final Breakup in Bangladesh – Flag: KRS						

Total Demolition	2021 ytd		2020	
Bulk	164.264 dwt	1 (0) vessels	12.709.370 dwt	112 vessels
Tank	12.034 dwt	2 (0) vessels	2.298.804 dwt	60 vessels
Container	0 TEU	0 (0) vessels	190.601 TEU	81 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: *Italian cruise recycling gone awry*

Back in July 2020 we reported on EU SRR approved Italian recycling yard San Giorgio Del Porto (SGdP) purchasing Carnival Corporation's COSTA VICTORIA (blt 1996, 28,953 mt/ldt). It was understood that the purchase would act as a trial vessel as part of a wider cruise ship recycling scheme at SGdP.

For reasons that are not yet clear, SGdP has sold the COSTA VICTORIA to an EU SRR approved facility in Aliaga, Turkey – a tug has reportedly been sent already to collect the vessel.

It would seem that SGdP's cruise recycling scheme has been curtailed, which is a pity given the yard's previous experience recycling the COSTA CONCORDIA in exceptional circumstances. There was 'hope' that an EU SRR alternative to Turkey could be established – even if only for blue chip cruise companies that could afford it.

We expect that the reasons for SGdP's change of direction can be explained by steel market dynamics of recent weeks, that have seen melting scrap & plate prices shoot upwards. SGdP may well have been offered a price for the vessel by the acquiring Turkish facility that they could not refuse.

In the time following SGdP's purchase of COSTA VICTORIA in July 2020, another two Turkish recycling facilities have been added to the EU SRR list, further cementing Aliaga's position as 'Europe's' leading recycling destination for both commercial and EU compliant methods.

The perennial question – when will viable recycling options for large vessels exist in Europe? – remains unanswered.



## CONTACT

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

Phone +49 40 333 966 9959  
Email [support@demogate.com](mailto:support@demogate.com)  
Web [www.demogate.com](http://www.demogate.com)

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

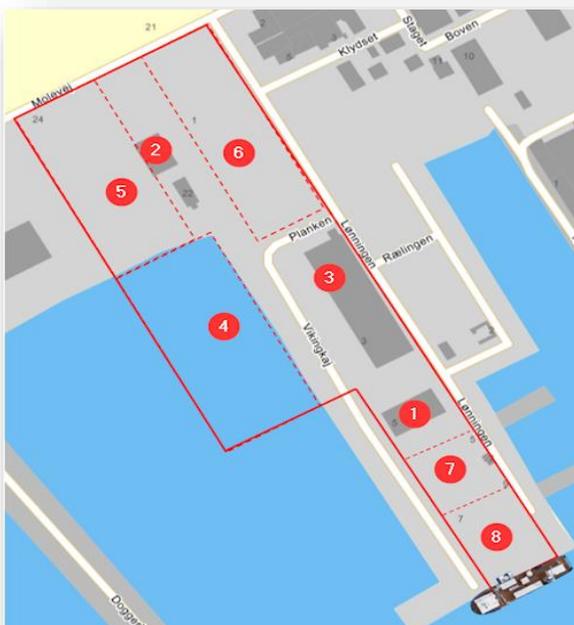
**YARD OF THE WEEK:  
SMEDEGAARDEN A/S (DENMARK)**



Located near Esbjerg, Denmark, on the shores of the North Sea is the EU whitelisted Smedegaarden A/S Ship Recycling Facility. The Facility has a theoretical annual capacity of 50.000 mt/ldt annually. The Facility can accommodate Vessels of up to 170 meters in length and 40 meters width.

Founded in 1962 by Henning Smedegaarden, the operation is now headed by his three sons who oversee recycling of approximately 20.000 mt/ldt each year, despite the yard's larger theoretical capacity.

Given the strong competition from Turkish Yards for EU SRR tonnage the Facility can be considered as a good option for decommissioned North Sea structures and smaller offshore and fishing vehicles from the region.



Recycling Standard / Certification



1. Office, Vikingkaj 5, 6700 Esbjerg
2. Workshop, Molevej 22
3. Warehouse protected against flooding
4. Dismantling and environmental management at the pier 125m x 50m
5. Environmental protected cutting area 45m x 100m
6. Outdoor warehouse protected against flooding
7. Bio-waste tanks 1700 m3
8. Shipping area protected against flooding 40m x 50m

More information: <https://www.smedegaarden.net/>

**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.