

# DG WEEKLY 49 / 2020 | www.demogate.com

## INDICATIVE DEMO VALUES

Weekly Change  
+ \$200.000  
Value

5,0 usdm<sup>(Dely Bangla)</sup>



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

**Container**

Weekly Change  
+ \$100.000  
Value

3,4 usdm<sup>(Dely Bangla)</sup>



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

**Bulker**

Weekly change  
+ \$250.000  
Value

6,0 usdm<sup>(Dely Bangla)</sup>



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

**Tanker**

Weekly change  
+ \$35.000  
Value

0,75 usdm<sup>(Dely India)</sup>



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 %	380 (370)	390 (380)	370 (360)	376
<b>Bangladesh<sup>1)</sup></b>	+ 5 %	400	410	390	378
<b>Pakistan</b>	+ 2 %	385	395	375	374
<b>Turkey<sup>2)</sup></b>	+ 10 %	250 (245)	260 (255)	240 (235)	248

\*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 *positive sentiment prevails*

Boom! Prices came back in a not-anticipated manner, trading at levels even in excess of those witnessed at the beginning of the year in most destinations.

In Turkey prices spiked and all of a sudden owners can expect \$280 levels for the right tonnage. What a recovery!, although EU SRR compliant yards are still fully booked well into 2021.

The party is also ongoing in Bangladesh where price in excess of \$400 are being offered for the right vessels. Respectively Bangladesh is taking the lead in sub-continent pricing.

India is also very bullish and prices for melted scrap are trading \$20 higher this week at \$379 per mt with plate prices in Alang offered at \$411 per mt. Buyers are keen to secure tonnage.

*A worker carries an empty oxygen bottle after cutting 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 It/Idt
MV Stellar Magic	VLOC	38.300	1994	KRS	Dely`as is, Lebuan´	~ \$ 420
Sold for final Breakup in Bangladesh – Flag: Marshall Islands, including Bunkers for a Voyage to Bangladesh						
MV Sarah F	GC	4.450	1984	GER	Dely Alang	~ \$ 390
Sold for final Breakup in India – Flag: Palau						

Total Demolition	2020 ytd		2019	
Bulk	11.577.124 dwt	106 (106) vessels	7.880.246 dwt	93 vessels
Tank	2.186.691 dwt	56 (54) vessels	4.427.162 dwt	87 vessels
Container	189.483 TEU	80 (79) 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: *The wind of change in the Cash Buying Scene 2020*

Yet again the ship recycling industry is producing negative press coverage with the latest shattering news of a Norwegian shipowner sentenced to prison and the demise of a shiny Cash Buying veteran who also sits in jail at the moment.

Norwegian shipowner Georg Eide has been sentenced to six months in prison over a 2017 attempt to sneak the vessel 'Harrier' out of the country for beaching, while cash buyer Wirana has been served a fine of \$700,000 for its part in the 'illegal' demolition deal.

After a decade in lay-up in a Norwegian fjord, the ship was sold to cash buyer Wirana Shipping, which allegedly attempted to sail the ship to Pakistan for demolition in February 2017. According to Norwegian prosecutors, this happened with Eide's knowledge and assistance.

Norway impounded the vessel after a pollution incident and investigated the case. In January of this year charges were brought against Eide and his Eide Marine Eiendom among others, including Skuld Marine Agency.

It seems that Ship recycling is a dangerous business not only for the workers ashore, but also to the various stakeholders involved. The latest 'finger burning' incident involves Dinesh Pandey ending up in jail regarding money laundering.

While the reports of the Indian Times cited investigators as believing that Pandey was the scheme's main money launderer, they did not mention Pandey's ship recycling business or Somap in connection with money laundering.

However it is clear that Pandey's reputation is ruined for the foreseeable future, putting a stop to his cash buying activities for the time being. It remains to be seen if he manages to come back again, but after the demise of Dubai based Buyers DTA (Gulf Star, North Star) buying activity in the sub-cont is narrowing down to two very active players who between them are snapping up the majority of available tonnage at the moment: Best Oasis and GMS.

They are hotly pursued by reputable Buyers like NKD, Wirana, Star Matrix and some others, but the major chunk of the business is being done by them. **A monopoly is definitely not in favor of the yards who were supposed to step into the light on the back of the upcoming Hong Kong Convention.**

## 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: Anupama Steel Limited (INDIA)



Located on the shores of Alang, India, the Anupama Ship Recycling Facility is a well established Hong Kong Convention compliant yard that has been led by Shri Omprakash Agarwal for more than two decades.

The Yard was founded in the 1980s and throughout the years has scrapped dozens of ships and vessels. Over the last 5 years the yard has recycled roughly 100.000 ldt/mts with a total of 21 vessels and roughly 5 units on an annual basis. The annual recycling capacity of the Yard is around 40.000 mts and the maximum breadth of the plot is 83 meters.

As with all Alang recycling Facilities the applied recycling method is intertidal beaching. The Facility is fully compliant with the standards set out in the international Hong Kong Convention and certified by Class NK.



Recycling Standard / Certification



Steel scrap from the demolished ships is a major source of raw material for the re-rolling mills in India. Normally at least 70 % of the total light displacement tonnage of a broken ship is constituted of re-rollable scrap. This is converted into bars and rods that are used in the construction sector.

Apart from the re-rolled scrap and components that are being sold as melting scrap, the Yard re-sells hundreds of engine parts, navigation equipment and auxiliary engines for refurbishment and re-use.

For more information visit: <http://www.anupamasteel.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](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.