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Anil Sharma of GMS, which believes the trend for scrap prices is down across the board. Photo: Fredrik Ekren

## Scrap market 'shaky and confused' as owners hold back ships on price falls

Industry players say weaker sentiment has put the brakes on some deals that had been concluded at \$600 per ldt or above

29 September 2021 1:18 GMT UPDATED 29 September 2021 1:18 GMT

By [Gary Dixon](#) in **London**

The hitherto buoyant Indian sub-continent vessel recycling market has endured something of a wobble over the past week, as falling prices led owners to hold back tonnage. Players called the situation "confused and shaky" and "disappointing" as sentiment weakened.

Cash buyer GMS said the markets were continuing a "dreary trudge" towards the fourth quarter, with all major locations on a downward price trajectory.



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The company was still quoting containerships at \$610 per ldt, tankers at \$600 per ldt and bulkers at \$590 per ldt in Bangladesh.

Pakistan is \$10 per ldt down on that in each category and India another \$20 behind that, GMS added.

However, these levels are still the highest for more than 10 years.

GMS said: "Bangladesh seems to have taken it the worst, with sentiments there truly putting the brakes on some of the higher priced units on offer."

### Sudden U-turn

Demolition broker Ed McIlvaney said there had been a "reasonable influx" of ships coming to market earlier in the week ending 24 September.

But then there was a sudden U-turn as owners realised they might not benefit from the \$600-plus levels, he added.

"Unfortunately, with levels generally dropping below the \$600 barrier, many owners opted to either withdraw their vessels or temporise on negotiations for the time being," the broker said.

"How long this shortage will continue is unknown."



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The only fresh sale recorded was the 7,517-ldt, 19,800-dwt tanker Gema (built 2001), formerly owned by Stralia Maritime of Greece.

This deal was reported at as much as \$616 per ldt into Pakistan, but McIlvaney believes the unit has gone into India instead, where the vessel type, built at Russia's Admiralty Shipyard, is very popular with recyclers.

McIlvaney said this is due to the strengthened nature of the hull and the ship's high non-ferrous content.

But the broker could not confirm the price.

### Suezmax back on the market



Scrap prices in India are lagging those in Bangladesh and India. Photo: PRIYA Blue Industries

Meanwhile, McIlvaney said a deal for the 159,000-dwt suezmax Cape Balder (built 2000) at \$610 per ldt has failed and the ship is back on the market.

Brokers had reported that Greek owner Adam Polemis' New Shipping had offloaded the tanker into Pakistan.

GMS said both India and Pakistan seem to be comparatively more eager to conclude deals.

The company added that Pakistan has even managed to steal an unnamed Asian ship away from Bangladesh.

"A true first in recent memory," GMS said.

### **Tanker and offshore interest still there**

"Demand also remains stable but not overwhelming — largely from the tanker and offshore sectors, such is the bullish state of dry and container markets this year," the company added.