



[Podcast] “Be patient” - container ship recycling will return.

The container ship market will not see any significant recycling until rates fall to levels seen in 2016, according to Xeneta Chief Analyst Peter Sand talking on the GMS Podcast.

Mr Sand said he believed strongly that a “sustained level of appallingly low freight rates” is needed for owners to opt for recycling, despite the current record levels for scrap steel.

Container ship owners, he says, are “loaded” after two years of making US100bn each year for the last two years and so not even remotely tempted by the record high scrap prices.

Pointing to an active second-hand market for box ships, Mr Sand explains that owners are now “trading ships they have bought at record high prices for quite old skins” and that “everything that is capable of carrying boxes is sailing right now and making pocket loads of money.”

Mr Sand expects the container market to remain firm for another couple of years and urges recyclers to “be patient” as “some of the old skins will find their way” to the recyclers’ yards.

In a wide-ranging discussion, Mr Sand offers insight into the [moves of German high street retailers Lidl](#) into shipowning and the impact of Shanghai’s Covid lockdown on intra-Asian business.

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