

Demolition sales boosted as average sale prices exceed \$700 per light displacement tonne

Sales of fully depreciated ships for scrap are increasing as sellers cash in on the highest scrap prices seen in more than 15 years

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Brokers reported the sale of eight large ships for scrap last week with the tanker sector continuing to dominate transactions



NICOLAS MOUNDREAS GROUP HAS SOLD ITS 22-YEAR-OLD CAPE-SIZE BULK CARRIER SUNBEAM TO PAKISTANI SCRAPPERS.

THE tanker sector is continuing to feed the hungry furnaces of ship recyclers with several sales of large vessels being reported, including a suezmax unit from Russia's Sovcomflot.

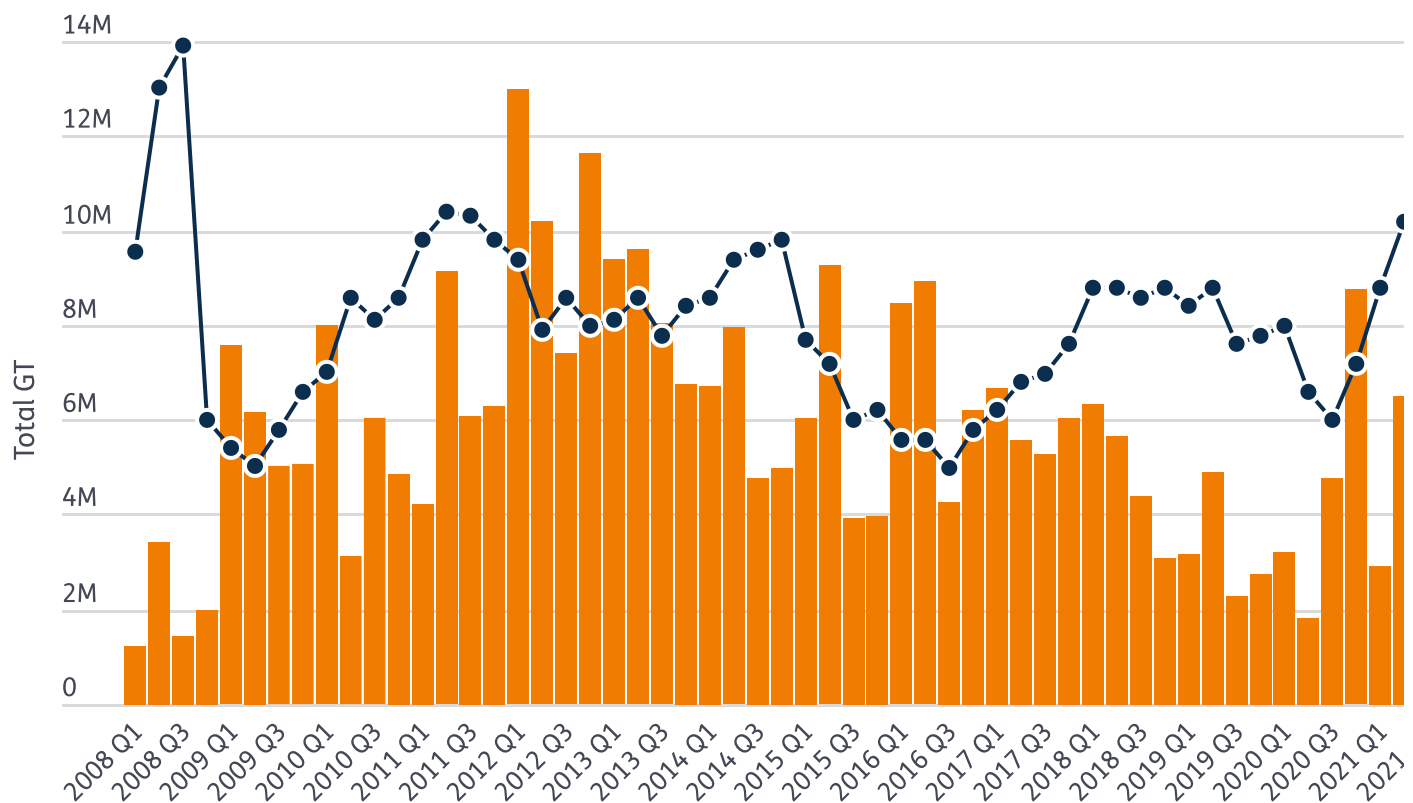
At the same time, the majority of recent sales have been concluded at prices not seen since the last peak in the demolition market in 2008.

"It has been another impressive week in both the Indian and Pakistani markets, with reportedly several sales taking place above the [\$700 per light displacement tonne] mark," said GMS in its latest demolition market report.

It said that the Bangladeshi market was the only subcontinent destination that remained mute with Chattogram recyclers refusing to buy at these high levels despite evidence to suggest that elevated prices look set to remain for the foreseeable future.

But with Bangladeshi buyers having already filled their plots during the first quarter they are under no pressure yet to compete with India or Pakistan.

Demolition (GT) by quarter/average pricing since 2008



Source: Lloyd's List Intelligence and Baltic Exchange



Recent sales in the tanker sector included Sovcomflot's 20-year-old suezmax *SCF Ural* (IMO: 9231509). This 159,000 dwt vessel was sold to Bangladeshi breakers for \$674 per light displacement tonne.

In the aframax sector, an Indian shipowner sold its 2002-built *Anastasia I* (IMO: 9200964) to Bangladeshi buyers for an undisclosed price, while in the panamax sector, Fleetscape Capital sold its 72,600 dwt, 2004-built, long range one tanker *Hampstead* (IMO: 9280586) to undisclosed Indian sub-continent buyers for \$700 per light displacement tonne.

In the chemical tanker sector, Odfjell has committed its 37,000 dwt, IMO II-class, *Bow Flower* (IMO: 9047491) to Indian scrappers. Due to its stainless steel tanks, this 1994-built vessel realised \$1,310 per light

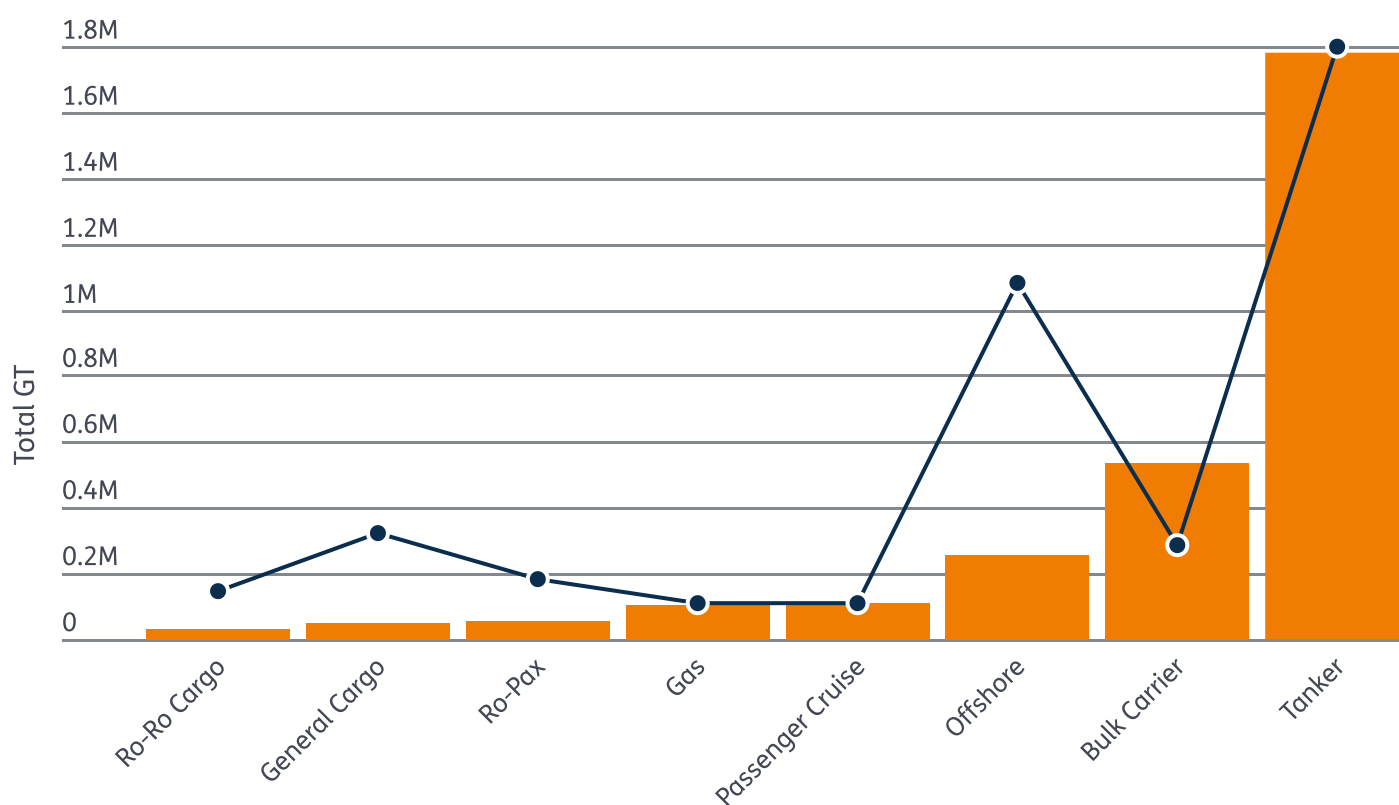
displacement tonne, or around \$14.7m, for its seller. The *Bow Flower* was one of the last commercial tankers to be built in a British shipyard.

In the medium range one sector, Spain's Elcano sold its 20-year old, 33,000 dwt, *Castillo De Monterreal* (IMO: 9145437) to Bangladeshi breakers for an undisclosed price.

Demolition sales in the dry cargo sector have been few and far between with only eight bulk carriers having hit the beaches so far this year. The majority of these sales have been for capesize units.

Most recently, Singapore owners sold the 2002-built Capesize *Race* (IMO: 9224738). This 172,000 dwt vessel was sold for an undisclosed price to Bangladesh breakers. Also in the capesize sector, Moundreas Group sold its 171,200 dwt *Sunbeam* (IMO: 9228239) to Pakistani buyers for \$715 per light displacement tonne.

Demolition Q1 2022 by vessel sector



Source: Lloyd's List Intelligence

