



# Sale and Purchase



Hellas S&P Weekly Bulletin

24 December 2020

## BULK CARRIERS

VESSEL	DWT	BLT	DETAILS	SS/DD	PRICE	BUYER
AFRICAN TEIST	33,343	2014 SHIN KURUSHIMA	mitsubishi 6UEC45LSE 4 x 30 T BWTS fitted	SS 03/24 DD 04/22	HIGH USD 10 M	GREEKS

## TANKERS – CHEMICALS – LPG/LNGs

VESSEL	DWT	BLT	DETAILS	SS/DD	PRICE	BUYER
RIDGEBURY PALLAS	159,195	2005 HHI	MAN-B&W 6S70ME-C7.1	SS 01/21 DD 01/21	USD 17.1 M	INDIANS
AIAS	149,993	2008 UNIVERSAL	WARTSILA 6RTA72 Scrubber fitted	SS 04/23 DD 04/23	USD 22.5 M Each	USA based (c/o Ridgebury)
AMOUREUX				SS 05/23 DD 05/23		



### NEW BUILDING

The focus of ordering this week has been in the container market. Starting with Hapag Lloyd and DSME announcing their long awaited order for six LNG dual fuelled 23,500 TEU container carriers all for delivery throughout 2023. Hyundai Samho have announced orders for four 13,000 TEU container carriers reportedly for Clients of Capital Shipmanagement for delivery in the second half of 2022 and into January 2023. SITC have ordered six firm plus upto four option 2,600 TEU container feeders at Yangzijiang with delivery of all of the firm vessels due by the beginning of 2023. Lastly, Hyundai Mipo are understood to have secured an order for a single 17,000dwt chemical tanker from a yet to be disclosed buyer, with delivery in 2022.

### RECYCLING

#### **An Unprecedented Year!**

End of Year Summary - In what has been a completely turbulent year for the Shipping industry, the ship recycling sector was heavily affected by the Covid-19 outbreak as it ground the market to a complete halt. This created a very problematic atmosphere during the first six months as Owners and Buyers found it difficult to complete deliveries, as we entered uncharted waters with Ports worldwide banning crew changes bringing S&P transactions into legal complications. Further to this, a full lockdown was implemented upon the Indian sub-continent as well as Turkey and thus prevented any vessel being allowed to beach/land, which left some Owners stranded at the anchorage and thus created disputes due the unprecedented times that were faced. This had a knock-on effect to sentiment and confidence with no sales reported for several weeks and price levels falling sharply due to no local demand as the construction and development industries which drive the demand for steel also being severely affected by the virus. In addition, many recyclers had bought vessels at firm prices at the start of the year, a significant amount of which were large dry units, and this led to high priced inventories on the recycling yards that suddenly resulted in bigger than expected costs when the Pandemic fully hit the waterfront.

As we approached mid-Summer, most global lockdowns disbanded and demand returned, albeit cautiously for a time. With Owners starting to dispose of their ageing units again, the international market resumed with a flurry. This was due to the backlog of Vessels that had either overdue SS/DD positions or were deemed too expensive to retro fit with scrubbers, with environmental IMO regulations still coming into effect and forcing the hands of many Owners to sell for recycling. This was particularly witnessed in the VLOC sector as almost thirty have been sold over the course of the year. Many of these ships had been converted from VLCC's and slowly begin to be phased out of the fleet due on safety reasons. Coupled with Capesize bulkcarriers sold this year, the large dry units equate to over fifty vessels in this sector being sold for recycling which has been a welcome benefit to the market having seen fewer tankers and containers sold for recycling this year. In particular the tanker sector provided one of the lowest levels of recycling within a year in the last decade.

However, the last quarter saw iron ore spot prices at nearly 9 year highs this year, enabling steel markets to be boosted globally where they have roared to six year highs and provided a mini price recovery for the ship recycling market. Price levels returned to pre-Covid levels above \$400/per ldt helping buyers to find some much-needed confidence which had been severely lacking for the majority of the year. This new optimism bodes well for the arrival of the New Year and is a view shared by many recyclers that prices should sustain for most of Q1 and provide a bedrock for an active recycling market that has been watching on the side-lines for the most part of the year.

One of the major talking points this year has been the EU Ship Recycling Regulation which had dominated the news due to the lack of available facilities, foreseen by many industry players and discussed intently at the annual Tradewinds conference back in March of this year. Unfortunately, this issue fell on deaf ears with environmental organisations and EU representatives during this conference citing their belief that there was sufficient capacity. They have since been proven wrong! This became a more pressing issue once the coronavirus pandemic fully consumed the globe as it impacted the Cruise vessel industry in particular resulting in the Turkish market becoming swamped with Cruise Vessels in a short time span. With the majority of these units under EU legal requirements, slots were swiftly taken up at Aliaga and the difficulty in recycling these units resulted in the capacity for EU yards being reached even sooner than anticipated. The argument from the EU authorities is that they have approved 43 operational yards but there are only eight in Turkey (six at the time Covid affected Europe), and it remains the only commercially viable option for Sellers as others facilities are still developing themselves to compete financially, with this still being only a handful of yards also. It is not often that a year is wanted to be forgotten but this is certainly one of them, although we do hope that this has helped highlight the need for a more pragmatic approach from the EU authorities and work with the yards in India who have already shown their willingness to improve their recycling yards and continue to improve where realistically possible.

More emphasis has this year been placed on Green Ship Recycling in accordance with the Hong Kong Convention as many more ship owners are directing their attention towards this cleaner and safer method of disposing of their units for recycling. The Indian recyclers who have obtained the necessary certification for HKC compliance are finally starting to benefit from their own financial input in establishing much needed safer environments for the dismantling of vessels as many more Owners turn their attention to these yards. With every Indian yard set to be fully HKC compliant next year (otherwise they will lose their licences), the expectation is for Bangladesh will follow suit over the course of the next 12 months with more yards reportedly improving their yards to the incredible standards set by the, currently, one and only HKC compliant yard at Chattogram, owned by the PHP Group. Whether Pakistan will follow the lead of India and Bangladesh remains to be seen!



### DEMOLITION

#### BULK CARRIERS – GCs - MPPs

VESSEL	DWT	BLT	DETAILS	PRICE	BUYER
-	-	-	-	-	-

#### TANKERS – CHEMICALS – LPGs

VESSEL	DWT	BLT	DETAILS	PRICE	BUYER
-	-	-	-	-	-

BALTIC INDEX			EXCHANGE RATE		BUNKER PRICES			
<b>BDI</b>	1362	+32	<b>EURO/USD</b>	1.21854	<b>BUNKERS</b>	<b>ROTTERDAM</b>	<b>SPORE</b>	<b>FUJAIRAH</b>
<b>BCI</b>	1979	+ 114	<b>YEN/USD</b>	0.00966	<b>VLSFO</b>	376.50	397.00	400.00
<b>BPI</b>	1333	- 19	<b>BRENT</b>		<b>MGO</b>	430.50	437.50	477.50
<b>BSI</b>	1047	- 1	51.42		<b>IFO 380</b>	299.50	319.00	309.00



## Contacts

**Clarksons Platou (Hellas) Ltd.**  
**62 Kifissias Avenue**  
**Marousi**  
**151 25**  
**Greece**

Direct +(30) 210 458 6700  
Fax +(30) 210 458 6799  
snp@clarksons.gr  
[www.clarksons.com](http://www.clarksons.com)

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