

## High-priced boxship sales prompt increase in recycling candidates

*South Korea's Sinokor has sold two 1990s-built containerships for scrap, at prices 20% higher than prevailing levels in March*

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The recycling sale of two vintage boxships for almost \$600 per light displacement tonne has led to more containership proposals for scrapping, says cash buyer GMS



INDIAN SUBCONTINENT SHIP RECYCLING MARKETS HAVE ENJOYED A GREATER-THAN-EXPECTED DEGREE OF RESURGENCE AFTER RAMADAN, SAID BUYER GMS.

*Source: Muhammad Aqib Yasin / Alamy Stock Photo*

RELATIVELY high prices paid by ship recyclers in the past week for a pair of aged containerships are said to have stoked renewed interest by shipowners for the recycling of their old boxships.

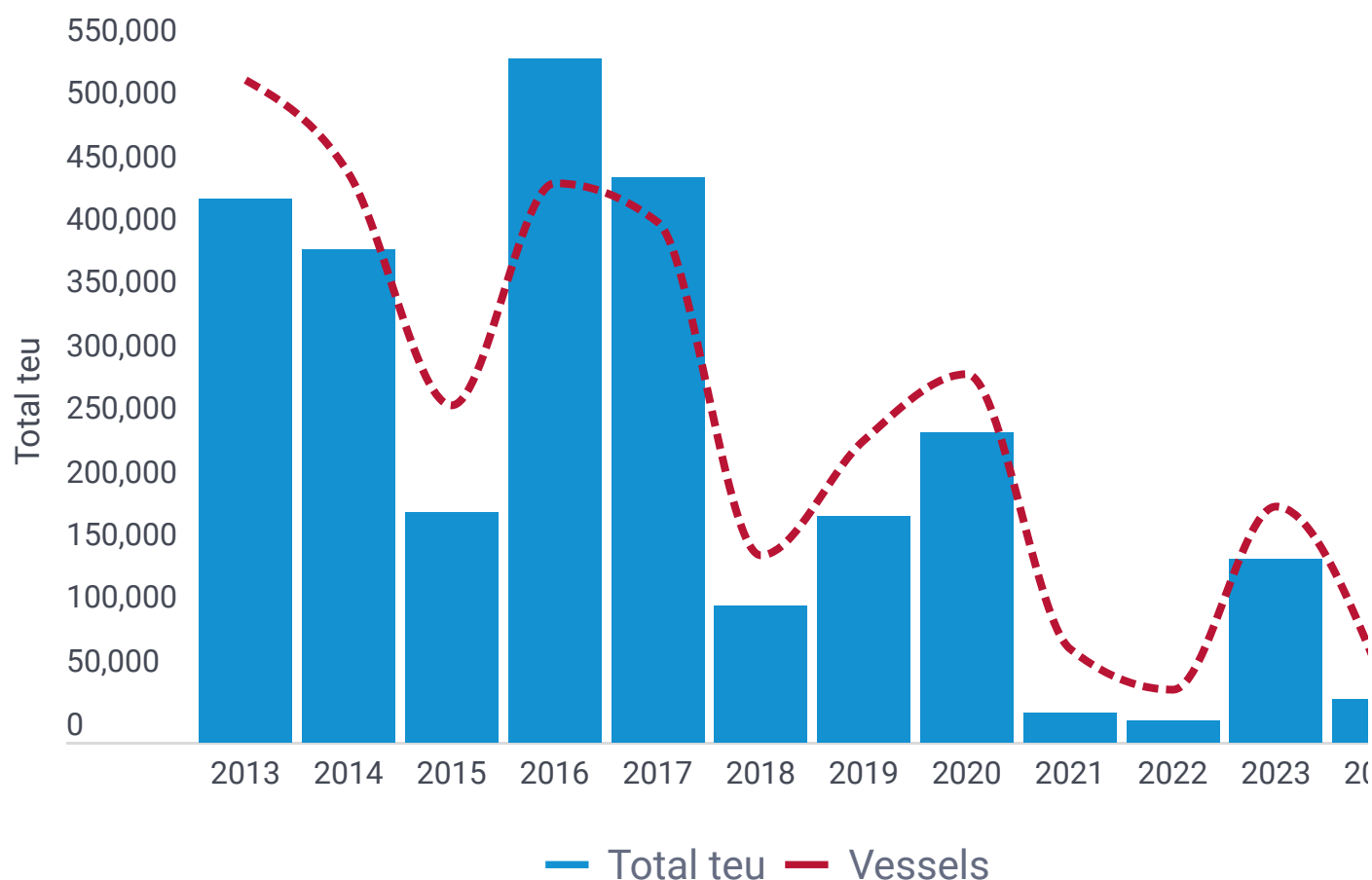
The 28-year-old, 929 teu, *Sinokor Hongkong* (IMO: 9146663) and the 26-year-old, 834 teu, *Sinokor Qingdao* (IMO: 9160906) have been sold by South Korean containership and tanker operator Sinokor Merchant Marine for almost \$600 per light displacement tonne, according to brokers.

The former vessel was snapped up by undisclosed Indian sub-continent buyers for \$593 per ldt, while *Sinokor Qingdao* realised \$598 per ldt from buyers in Chattogram, Bangladesh.

Their sale prices are between \$70 and \$100 per ldt higher than deals undertaken in March.

“Indian subcontinent shiprecycling markets enjoyed a greater-than-expected degree of post-Ramadan resurgence. Vessel prices across the various destinations seemed to have concurrently enjoyed varying degrees of an uptick this week,” said vessel cash buyer GMS, noting some “eye-opening” sales being concluded.

## Containership demolition sales



Source: Lloyd's List/Lloyd's List Intelligence



It said that the high prices paid for the *Sinokor Hong Kong* and *Sinokor Qingdao* promptly led to several, private and market, containerships being proposed for recycling sale.

“Surprised shipowners welcomed the possibility of achieving \$600 for their unit which only resulted in a growing excitement amongst those recyclers on a serious hunt for tonnage.”

While frantic offerings prevailed, \$600 per ldt was not breached. However, several deals are understood to have been concluded at these firmer overall levels, noted GMS.

According to data tracked by Lloyd's List, only 20 containerships have been committed for recycling since January with a combined capacity of 35,000 teu.

Recycling of containerships was anticipated to increase this year due to a historically high newbuilding orderbook and a fall in container volume growth.

However, demand for containership capacity has been boosted by diversions of the largest ships around the Cape of Good Hope which, in turn, has driven feeder tonnage demand to supply ports omitted by mainline vessels avoiding the Suez Canal.

Cash buyer Wirana Shipping said that buying interest from ship recyclers had increased, particularly by Bangladesh and Pakistan-based buyers, as demand for recycled steel was set to rise following Eid festivities.

This is during a period of an ongoing shortage of vessels being offered for recycling. As such, it expects prices being offered by ship recyclers to firm up marginally in the coming weeks.

Recycling volumes are at their lowest level since 2005, as relatively high containership charter rates and strong dry cargo and tanker freight rates have kept ageing ships in service.