

# Ship recycling volumes in 2023 lowest since 2007

*While there were more sales than in 2022, the total tonnage recycled fell*

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Tanker recycling volumes by gross tonnage declined by 81% in 2023 while the sale of bulk carriers for scrap more than doubled, according to Lloyd's List Intelligence data. Finance restrictions in Bangladesh and Pakistan are hampering sales, while an expected increase in tonne-mile demand due to the avoidance of the Red Sea may also reduce ship recycling in the short term



WEAKENING STEEL DEMAND FROM SHIP RECYCLING NATIONS HAS SEEN A SOFTENING IN PRICES BEING OFFERED FOR END OF LIFE SHIPS.

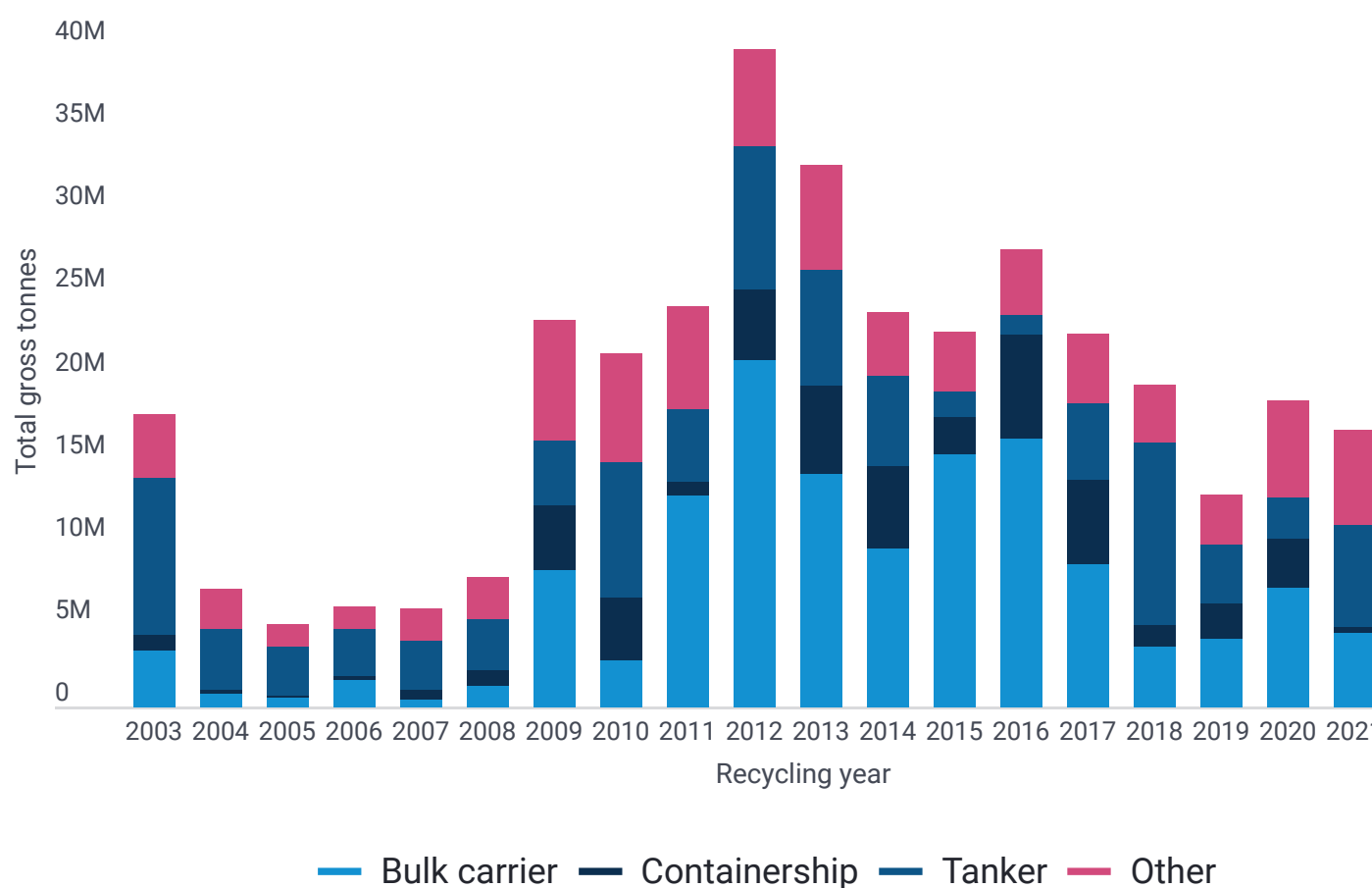
*Source: Muhammad Aqib Yasin / Alamy Stock Photo*

SHIP recycling volumes in 2023 by gross tonnage dropped by 6% compared with the previous year as the sale of tankers for scrap plummeted, according to Lloyd's List Intelligence data.

A total of 360 ships with a combined gross tonnage of 6.9m were recorded as having arrived at ship recycling centres, chiefly on the Indian subcontinent, during 2023 compared with 7.3m gross tonnes in 2022 — the lowest levels seen since 2007.

Nevertheless, the number of ships sold for scrap increased from 320 in 2022 to 360 vessels in 2023.

# Ship recycling volumes by vessel sector



Source: Lloyd's List Intelligence

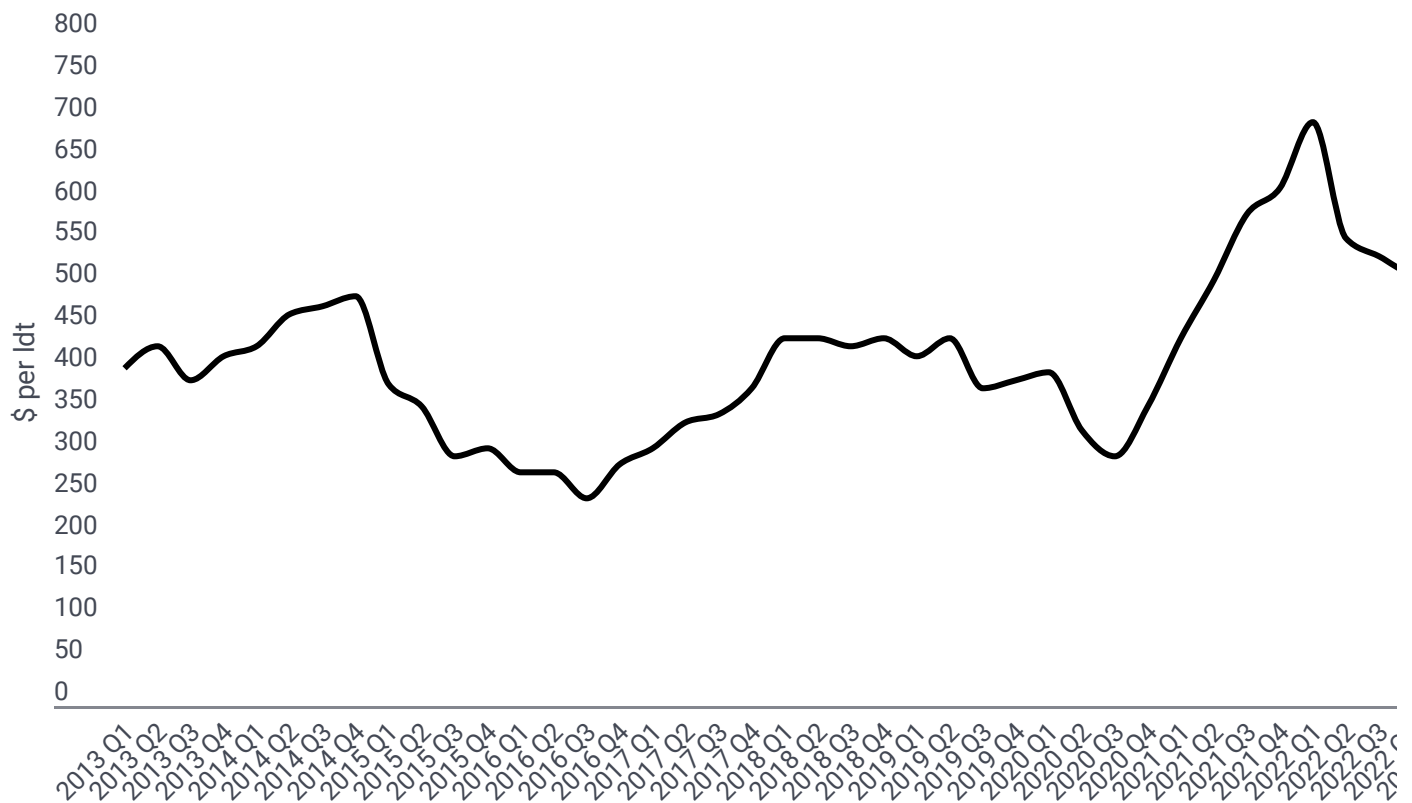


Tanker scrapping languished as ageing tonnage was snapped up for service in the so-called dark trades. Tanker recycling volumes by gross tonnage fell by 81% in 2023 to 647,000 gt with just 38 vessels sold for scrap compared with 115 vessels in the previous year.

This drop was partly offset by a surge in the recycling of bulk carriers, which more than doubled compared with 2022. The number of sales transactions was also boosted by an increase from the container sector with 68 boxships sold for recycling in 2023 compared to just 11 the previous year.

“On the one hand, we have seen comparatively more deals concluded in 2023 than we did in 2022, with 2022 being the weakest of years over the past decade. On the other hand, despite the industry witnessing a far firmer volume of vessels recycled this year when compared to a bloated global newbuilding orderbook (particularly in the container sector), the recycling industry still fell short of the number of permanent exits needed in order to balance out global fleets,” said vessel cash buyer GMS.

# Average demolition pricing by quarter since 2013 (I subcontinent)



Source: Lloyd's List and Baltic Exchange



Despite an upturn in recycling sales from the second half of the year, in particular from the dry cargo and container sectors, the number of transactions recorded in December declined as demand for recycled steel in India and letter of credit restrictions in Bangladesh and Pakistan saw buyers limited to the purchase of smaller vessels.

Wirana Shipping reported three transactions being concluded in the past week, which included the 39-year-old refrigerated cargo vessel *Ice River* (IMO: 8311118). This 668,000 cu ft ship was sold by Switzerland-based owners to Indian recyclers with no price disclosed.

Indonesian owners are said to have sold the 18,000 dwt, 1993-built product tanker *John Caine* (IMO: 9045431) on an “as is” basis for \$465 per light displacement tonne.

Wirana Shipping said that the overall supply of fresh tonnage would “continue to be slow”. Longer voyages as ships avoid the Red Sea has increased demand and could delay tonnage being scrapped.