**Lloyd's List**

**Tanker scrap values reach highest level since crash of 2008**

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Ships sold to Indian breakers achieved "truly astounding numbers", with some earning as much as $375 per tld.

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DEMOLITION prices paid for tankers are at their highest levels since the financial crash in late 2008, with Indian breakers paying as much as $375 per tld in the last week to secure quality tonnage for recycling.

This has prompted hope from a number of people in the industry that higher prices will spur owners on to get rid of elderly tonnage and bring down overcapacity levels, which are crippling earnings potential in the chartering markets.

Cash buyer GMS said "some truly astounding numbers" had been reported for ships sold to Indian breakers, due to a combination of strengthening steel prices, a strong rupee against the US dollar and a "continued and insatiable demand" for tonnage.

"Resultantly and unsurprisingly, a number of high-profile tankers — gas free for man entry and hot works — also made their way to Indian shores for the first time in a while," GMS said in its weekly market report.

This included a chemical and oil tanker beneficially owned by Danish shipping group Torm — according to Lloyd's List Intelligence — which is reported to have been sold to Indian breakers for $375 per tld.

The 1990-built, 84,080 dwt Bel Taylor achieved this price for its 14,830 tld, bringing in the owner around $8.5m, with 900 tonnes of bunkers on board helping to push up the price.

An even larger suzeman tanker, the 1990-built, 152,402 dwt Parkway — beneficially owned by the Ofer Brothers Group, according to LLI — was reportedly sold for $572 per tld to Indian breakers, which for its 20,089 tld adds up to a total $11.5m sale price.

GMS did question whether the spike was only temporary, though, as one of the reasons local steel prices have been pushed up so high has been due to power cuts to steel plants and iron ore mines, leading to speculation that a shortfall of product could come about in the domestic market.

With some people expecting the power cuts to be lifted as soon as the next fortnight, prices may then die down again towards the end of the month.

"As such, the coming month or two does appear to be a time for cash buyers to keep their ears close to the ground, especially when offers for vessels continue to climb as rapidly as they have been over the last several weeks and some incredibly high-priced fixtures continue to take place," its report said.

In comparison to the prices being paid by India buyers, Bangladesh's demolition market was "left trailing in the wake", but did its best to compete on tonnage.

London brokers reported Chittagong breakers had taken the 1984-built, 19,960 dwt Doris at $340 per tld for its total 5,194 tld, bringing in $4.8m for the owners.

In general, there were very few sales reported to Bangladesh, as yards continue to be closed until the country's Supreme Court judge re-evaluates an extension order granted in July, meaning many have lost out on tonnage they would normally buy to India. A new hearing data has been set for this Sunday.

Other than these, very few other tanker sales came on to the market. On Monday, the Baltic Exchange's Indian Subcontinent dirty tanker demolition price assessment reached $435 per tld — the highest level since the financial crash. In mid-2008, it reached over $750 per tld.