Breaking floor?

Ship scrapping sales have slowed further as prices fell, but a floor may have been reached.

Several vessels were circulated last week, but sellers were holding off finalising deals in the hope of a recovery in levels.

US-based cash buyer GMS said: “This week alone, we know owners of a VLCC, capesize, containership, PCC and a few handies that have made the painful decision to either temporise the sale or withdraw their vessels from demo markets.”

Breakers have started to see their profit margins increase at lower prices however, so numbers may have bottomed out.

But available capacity at yards is at record-low levels, meaning it is still a buyers’ market.

GMS added: “The falling prices continue to kill the integrity of most recent high-priced deals, which are now being re-negotiated at the waterfront.”

The most eye-catching deal was the sale of World Tankers’ 87,000-dwt tanker Kourion (built 1985), which reportedly secured $300 per ldt, at least $10 higher than rates for other vessels, due to its size and condition.

Two recyclers were said to have competed aggressively for the vessel, which fetched $4.31m.

By Gary Dixon in London

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