Buyers balk

The pace of ship scrapping has slowed as buyers became reluctant to take tonnage after steel prices plunged by $70 per ton.

But supply remained strong, with plenty of elderly bulkers and boxships continuing to be hawked around the market, US-based cash buyer GMS said.

Most ship recyclers stopped buying last week as a result of the steel price drop, and those that were in the market for ships were offering about $50 per ldt below the last-done level.

GMS said: “Almost overnight demo vessels lost about 15% of their residual asset values.”

There was also a flurry of re-negotiations and failed deals.

One deal that did go through was the 19,400-gt bulker Maha Marie Jose (built 1982), operated by Five Stars Shipping of India, sold into Bangladesh at $280 per ldt.

Buyers there also took another bulker and a tanker, while in India two tweendeckers and a ro-ro were heading to breakers’ beaches.

Norwegian broker Imarex also reported two capsize bulkers sold in the last week.

By Gary Dixon, London

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