Scrap levels begin to firm up in China

The capesize Badri Prasad (built 1980) has been sold for demolition in one of the few scrap sales of the week.

It is understood that the Essar Shipping-controlled, 115,000-dwt bulker has been sold to Chinese buyers for $362 per ldt or around $6m.

Brokers say the deal represents a slight firming of prices in China, where breaking yards are described as “hungry” for business.

There were a number of tanker deals under negotiation as TradeWinds went to press with indications that prices are again firming slightly at $425 per ldt in India following last week’s sale of the VLCC Front Sabang to Pakistan at $405 per ldt or $14m.

Commenting on firming prices while little actual business has been concluded, demolition broker GMS said: “Cash buyers appear to be purchasing tonnage more on speculative numbers rather than prevailing levels from respective markets.”

Earlier, the US-flag, 58,650-dwt products tanker Baytown (built 1984) was sold in China for $380 per ldt or $5.9m. The vessel has been sold on the understanding that it will be scrapped at a green recycling yard.

Brokers say Bangladesh scrapyards remain “closed” but talks between the shipbreakers’ association and government this week over environmental issues will pave the way for yards to reopen later in the summer.

By Adam Corbett London

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