Suezmax tanker heads for scrapyard after all

A suezmax tanker offered a reprieve from the breakers torches with a trading bid has finally gone for scrap, as demolition buyers look forward to another bleak year.

Anil Sharma, boss of US-based cash buyer GMS, confirms to TradeWinds that the 125,000-cbm tanker Marine Columbia (built 1974) has been resold for scrap.

In his e-mail Sharma wrote: "Our principals have indeed sold the vessel for recycling to Bangladesh and all going well, she will be delivered next week to the same end-buyer to whom it was sold earlier."

Sharma says the ship is already in Chittagong and has been delivered to the buyer.

Demolition specialists comment that the buyer is likely to be delighted with his purchase in what has been a lean time for breakers.

The ship was originally reported sold for scrap at around $402 per ldt or $9.4m in total. They say that while it is likely to have be reported resold at a similar rate, scrap prices have risen sharply in the interim. This week brokers said the vessel could go for around $445 per ldt.

The 30-year old suezmax, which was formerly controlled by US-based Crowley Maritime Corp, created ripples in demolition circles last month when it appeared to be getting a new lease of life.

At the time Sharma told TradeWinds that his company had been in discussions about a trading buy on the ship and had cancelled the original scrap sale, negotiating compensation with the end-buyer and described talks with prospective trading buyers as "unfolding".

The past year has been a trying time for shipbreakers with owners keen to surf the waves of sky-high rates in both tanker and bulker sectors rather than be tempted by the equally huge levels on offer from the demolition buyers.

Shipbrokers Clarkson estimates that in deadweight terms the volume of tonnage sold for scrap in 2004 was 62% down on the previous year. They put the total for the last year at just 9.7 million dwt as compared with 26.3 million dwt in 2003, 28.0 million dwt in 2002 and 27.9 million dwt in 2001.

Apart from the noticeable lack of ULCC and VLCC sales during the year five such units in 2004 compared to 27 in the previous year. Large bulker tonnage was also notably absent.

One market report from independent demolition broker Mike Needham stated: "These days, instead of the five to 10 sales reported each week (sometimes more) from a year ago, there are frequent weeks when there are no sales to report at all as the flow of tonnage has dried up to just the odd vessel here and there."

Bangladesh has scooped the bulk of what little tonnage there has been during 2004. But this week market players were not sounding confident about the prospects for seeing more tonnage during the current year.

By Lucy Hine, London