



Bangladesh is one of the world's largest shipbreaking centres. Photo: IMO

## Scrap rates stay above \$600 amid thin volume during summer holidays

Firm steel prices and limited supply from shipowners buoy market mood

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By [Max Tingyao Lin](#) in London

Demolition rates have stayed at their highest in more than a decade amid muted trading during the summer holidays.



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Bangladeshi shipbreakers are still willing to pay \$590 per ldt or more, while their competitors in Pakistan and India can offer at least \$535 per ldt, demolition cash buyers said.

“The subcontinent market continues its strong price rally by touching newer heights every passing day,” said Best Oasis, a cash buyer.

“With very few vessels being floated in the demolition market, this upward trend is set to continue for the upcoming weeks.”

While tanker owners are refraining from scrap sales as secondhand prices for old, large units remain high, boxship and bulker owners are holding onto their vintage assets due to strong earnings.

Clarksons Research data shows just 41 ships with 1.73m dwt have been sold for scrapping so far this month, nearly all of them are small vessels.

“Amid this sparse activity, scrap prices have held firm, with no other factors causing new disruption to the local markets,” the research arm of shipbroking giant Clarksons said.

“However, with the summer holidays approaching after widespread travel disruption over the past year, many shipowners will likely be taking a break over the next few weeks, which could lead to a drier summer period than normal.

“This may leave some cash buyers empty handed if they do not manage to acquire any of the small number of units that do come to the bidding table.”

While the Eid religious festival concluded on Friday, GMS said trading may remain slow due to ongoing monsoon season.

“The supply of tonnage appears to have dried up once again,” the Dubai-based cash buyer said.

### Red-hot Bangladeshi market

In a bid to contain the spread of coronavirus, Bangladesh has begun yet another round of nationwide lockdown since last Friday.



But some shipbreakers were reportedly still paying cash buyers more than \$600 per ldt. No details are the deals are available.

“A lot of the recent bullish optimism can be attributed to the fact that domestic construction projects are going ahead at great pace in Bangladesh, and China is still importing most of their steel in order to satisfy domestic demand,” GMS said.

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“Subcontinent recycling markets remain positively poised going into the second half of the year.”

Meanwhile, Pakistani recyclers were constrained by a weak local currency while Indian breakers raised their bids for green tonnage.

“Indian steel plate prices have come roaring back of late... It certainly is a positive time for the Indian market,” GMS said. [\(Copyright\)](#)

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