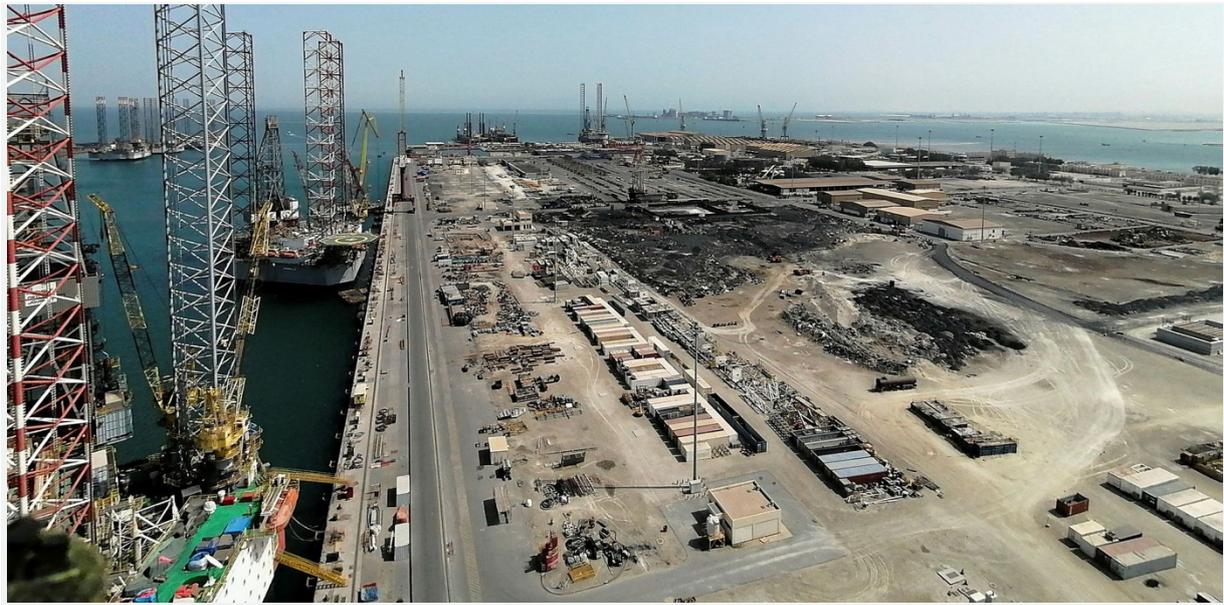


SHIPYARDS



Bahrain's Arab Shipbuilding & Repair Yard (Asry) has been increasingly populated by idle rigs as ship-repair candidates defect to China. Photo: Sparrows Group

Asry and Elegant Exit in green scrapping tie-up

Ship-repair giant Asry is teaming up with green ship recycler Elegant Exit to scrap up to 550,000 ldt of ships per year on a book-in-advance basis

3 June 2021 10:49 GMT *UPDATED* 3 June 2021 10:49 GMT

By **Bob Rust**

in **Oslo**

Bahrain-based Arab Shipbuilding & Repair Yard (Asry) is starting a new business line as it seeks approval as a European Union-approved scrap yard.

Dutch green scrapping start-up Elegant Exit has signed up the first slots for green demolition at Asry, in a booking system with dry-dock commitments of up to five years in advance.

Elegant Exit and Asry aim to start with some 110,000 ldt of demolition capacity during 2022, raising the volume over five years to 550,000 ldt.

Final EU approvals are still pending but when in place, the Dutch partner will oversee compliance.

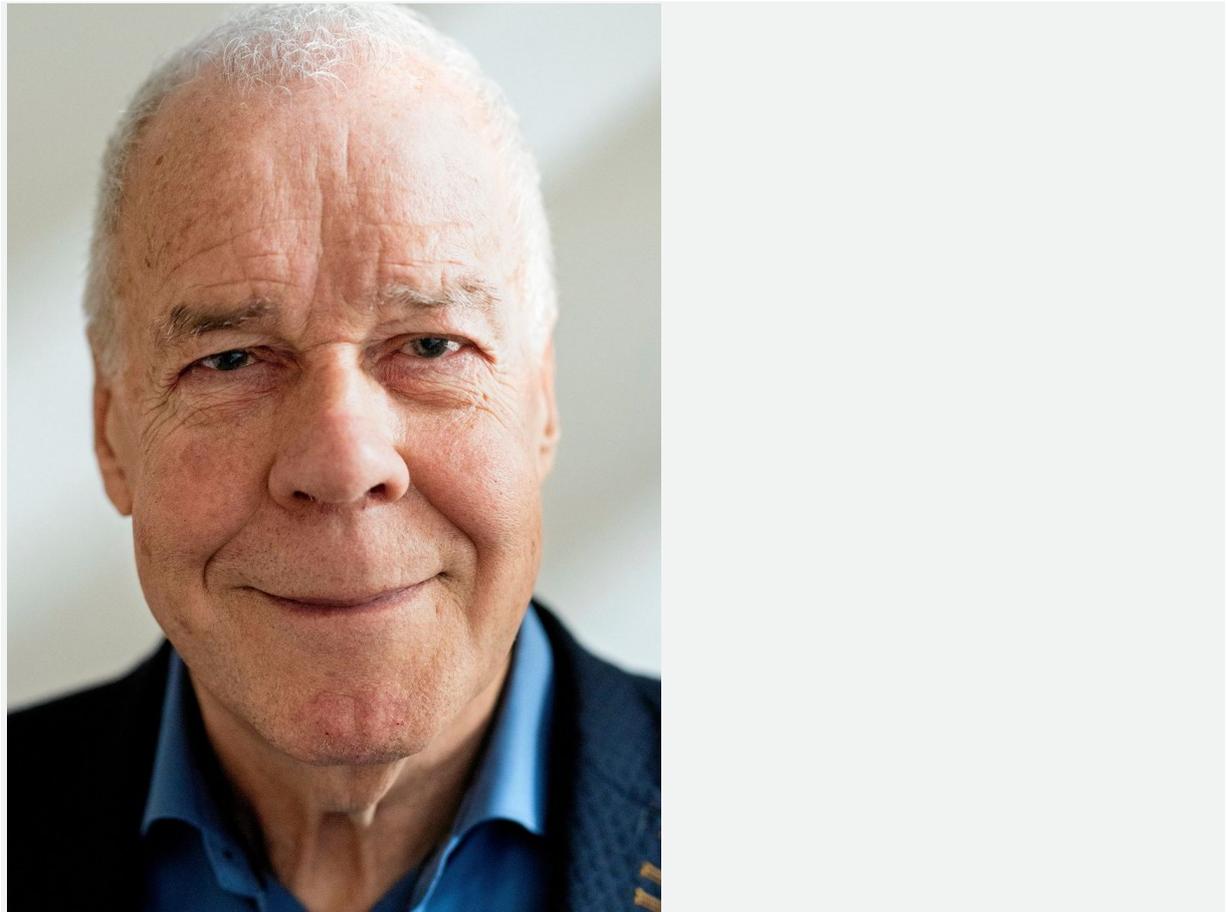
"Elegant Exit will take full responsibility for compliance with EU regulations," said Dutch shipping entrepreneur Rein Amels, who is co-managing director of Elegant Exit.

In addition to Elegant Exit's contract with Asry, it is also in talks with a second unnamed repair yard located within the EU to lease docks for ship breaking. The aim is to offer scrapping slots both east and west of Suez, with asset warehousing alongside or at anchorage.

Scrapping is essentially a new business for Asry. The yard has done demolition in dry dock in the past when planned repair projects proved to be economically unfeasible.

But in April, Asry managing director Mazen Matar posted an initial and very general ship-recycling policy on the yard's website.

"Asry aims to be one of the hubs of Green Ship Recycling facility in the region," he wrote.



Dutch heavylift shipowner Rein Amels is joint managing director of shipowning and green scrapping venture Elegant Exit Co. Photo: Elegant Exit

Matar was named to lead Asry in December 2019 after Bahrain's National Oil & Gas Authority took over the company.

In-dock demolition has become attractive not only on the customer side as a result of banks' and shareholders' increasing focus on environmental reporting, but also due to a dwindling demand for ship-repair berths in Gulf Cooperation Council countries.

Asry and other Middle East yards have struggled for years to compete for survey, repair and conversion business, as price and trading patterns have drawn most former customers to Chinese yards.

Elegant Exit is still in negotiations aimed at making its joint venture with Asry exclusive. Asry's Dutch partnership is a project aimed at buying whole fleets of sisterships from owners who feel reputational pressure to make sure their ships do not wind up on a beach.

'Own, operate, recycle'

Drachten-based Elegant Exit was started last year by former Womar chairman Captain Uday Yellapurkar and former W-O Shipping managing director Amels with their former colleague Vladimir Radisic as chief operating officer.

TradeWinds has previously reported on Elegant Exit's plan to buy fleets of middle-aged ships and trade them for several years before scrapping them at EU-approved yards, to relieve sellers of environmental, social and corporate governance concerns about ship disposals.

Amels told TradeWinds this week that his company remains on target to buy between five and 10 ships this year on an "own, operate, recycle" basis — most likely MR product tankers, given the strong markets in container and dry bulk shipping.

The Dutch company is also aiming to buy scrap candidates directly as a green cash buyer.



Vladimir Radisic is chief operating officer of green scrapping venture Elegant Exit. Photo: Elegant Exit

Some industry observers are sceptical about the project, as the premium for traditional scrapping over green scrapping remains very high.

"Not many VLCC owners are willing to leave \$10m on the table in order to be able to say they scrapped their VLCC in a sustainable way," one critic from within the green scrapping industry told TradeWinds.

Amels is optimistic that demand will grow as environmental regulations put pressure on the world fleet, and owners will want to lock in firm dates for the torch.

Radisic underscored that Asry's EU certification process is complicated by the EU ban on export of hazardous material, including ships, to non-OECD countries. He expects a resolution of the regulatory issue by the end of the year.[\(Copyright\)](#)