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Cruise Ships and Cargo Vessels Filling Up Scrapping Sites as Pandemic Fallout Continues

Business / **Published On November 16, 2020 05:21 AM /**

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A container ship, cruise liners and a bulk carrier were among the vessels being broken apart for scrap metal at a recycling yard in Izmir, Turkey, in October. By. GETTY IMAGES

With the Covid-19 pandemic showing no signs of slowing, the number of cruise liners and cargo ships appearing at sites to be scrapped in the recycling market this year has grown. The growth is owing to cruise liners' and cargo ship operators' need to turn grounded vessels into cash.

Leading the way are iron ore haulers, according to the [Wall Street Journal](#), followed by cruise ships as that industry was hit hard by the Covid-19-induced shutdowns that took effect in March. Though the CDC lifted the no-sail order on Oct. 1, most vessels are expected to recommence

limited voyages in January. And the first attempt at cruising had to be aborted [after 6 people contracted the disease](#) aboard a Caribbean cruise last week.

As for the ship operators that move vehicles around the world, the resort to scrapping is an effort to restore balance sheets that were whiplashed by the global industrial downturn led by China's shutdown at the start of 2020 and spreading throughout the world thereafter. According to WSJ, citing data provider Statista, manufacturing activity around the world has recovered this fall and automotive sales have rebounded. However, global vehicle sales are still expected to fall below last year's 75-million tally to around 62 million this year.

Through October, there were 557 ship demolitions compared to 889 in all of 2019. However, what must be taken into consideration is that scrap sites were closed for three months this year. Even so, this year's increase in scrapping won't come close to 2012's, when a large overhang of shipping capacity was taken out following the 2008 financial crisis, according to WSJ.

At least three Carnival Corp. ships are being broken down for their parts, including the Fantasy, Imagination and Inspiration — all of which were recently sold as a result of the coronavirus pandemic. Carnival Corp., the largest of all cruise companies, said [in a release](#) issued September that it was "accelerating the exit of 18 less efficient ships" from its fleet.