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COMMENTARY

INDIA – Local steel plate prices improved by USD 15/MT in first week and by another USD 20/MT in the third week of April. However, all the gains in local steel prices have been lost in last week of April (price reduction by USD 22/MT) and first week of May (further reduction of USD 15/MT). It should be noted that prices offered by ship recyclers did not improve in line with local steel plate prices and have been more or less stable. However, steel exports have slowed down and domestic market has not been able to accept higher prices of steel resulting in weak domestic demand. Imported scrap prices gradually dropped during April by USD 35/MT with a further drop of USD 20/MT in first week of May. Overall strengthening of US Dollars has also meant weakening of Rupee by about 1% with downward pressure continuing. Monsoon season during which domestic demand of steel reduces is less than a month away. All factors point towards possibility of reduction of prices offered by Ship Recyclers for fresh tonnages but it is the low supply of fresh tonnages that could soften the impact to some extent in May. With an overall low global demand of steel, we would expect prices to be pushing lower thereafter as well except if there is a respite in Covid lockdown in China and/or end of Russia-Ukraine war.

PAKISTAN – Ship recyclers have been most aggressive in their price offerings during the first half of the month in the Indian sub-continent. While the prices offered by ship recyclers were lower than Bangladesh at start of the month, ship recyclers improved their pricing till mid-month by about USD 30/MT. This had been possible due to multiple factors like stable domestic market, stable imported scrap prices and mainly low supply of fresh tonnages. However, with drop in prices of imported scrap as well as reduction of steel prices in domestic market, the price momentum could not be sustained and Ship Recyclers went back to prices levels offered in the beginning of April. With an overall low global demand and with Russia and China offering steel at lower prices, Ship recyclers are nervous on taking on commitments at prevailing and comparatively reduced price levels too. We would expect prices to be under pressure in May and the saving grace of low supply of fresh tonnages could help soften the blow on reduced prices offered by Ship recyclers.

BANGLADESH – Local steel prices reduced at the beginning of the month by about USD 10/MT with a further reduction in price by about USD 12/MT. Imported scrap prices also registered a significant price reduction of USD 38/MT in April and a further USD 5/MT reduction in first week of May. Ship Recyclers also reduced their offerings by about USD 25/ MT in April and another

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USD 10/MT in first week of May. High prices of steel has affected demand from construction sectors and difficulty in procuring foreign exchange also adds to the challenges of Ship recyclers. With global demand almost stagnant and strong possibility of supplies from Russia and China to be at lower price levels, Ship recyclers are taking a cautious approach. We would expect prices to remain under pressure and only positive point of low supply of fresh tonnages helping to reduce the impact on level of price reduction.

TURKEY - Major gains registered in prices during the previous months were quickly erased in the month of April. Scrap prices registered a drop of about USD 90/MT in the month of April with a further reduction of USD 20/MT. Lower global demand has resulted in the drop in prices. Local demand of steel has also reduced in view of inflationary pressures being felt in the economy. The result was that prices offered by Ship Recyclers also reduced during the month by USD 50/MT with another price reduction of USD 10/MT in the first week of May. In view of overall stagnant steel demand due to Covid lockdown in China and global inflationary pressures, we would expect prices to be under pressure. We would expect prices offered by Ship recyclers to be marginally lower in May with a possibility of further reduction in coming month.

CHINA – With effect from 1.1.2019, China has stopped accepting any foreign flagged ship for recycling as per directives from Government. Breakers now can only recycle local ships from China.

SUPPLY – Even though overall freight markets remained attractive across all segments, high prices offered by Ship recyclers resulted in a better supply of fresh tonnages from Ship Owners and more deals concluded in April as compared to previous months. However, with reduction in prices and dwindling interest of ship recyclers to continue buying at high price levels, we would expect supply of fresh tonnages to reduce in May.

OUTLOOK FOR MAY – While there had been comparatively an increased supply of tonnage as well as deals concluded in April, we would expect lesser supply of fresh tonnages in May due to reduction of prices offered by ship recyclers as well as an overall good freight market which continues to prevail. In spite of low supply of fresh tonnages we would expect prices to be under pressure in view of an overall stagnant / reducing steel demand due to lock down in China as well as inflation reducing overall global demand.

GREEN SHIP RECYCLING

1. The EU Commission has approved three new ship recycling yards taking the total EU listed facilities to 46. Off the three new yards listed, two yards are in UK and one is in the Netherlands.

   a. DECOM Amsterdam B.V., The Netherlands – Maximum recycling capacity per annum achieved till date is 17500 MT and the yard can recycle maximum ship dimension of L:240m, W:50m and D:9m. The recycling method is (a) Preparatory actions along quay side (b) lifted onshore for scrapping.

   b. Dales Marine Services Ltd, UK – Maximum recycling capacity per annum achieved till date is 5019 MT and the yard can recycle maximum ship dimension of L:165m, W:20m and D:7.7m. The recycling method is Dry dock and wet berth.

   c. Kishorn Port Ltd, UK - Maximum recycling capacity per annum achieved till date is 1200 MT and the yard can recycle maximum ship dimension of L:140m, W:100m and D:12m. The recycling method is Dry dock.

MAIN DEMOLITION SALES DATA FOR APRIL 2022

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Barge	High Two	1995	9273	5660		Alang, U/T
Bulker	Sunbeam	2000	171199	21018	715	Gadani
Bulker	Race	2002	172319	22037	695	Ctg
Bulker	Keoyang Orient	1997	149332	18138	650	As is S. Korea, HKC, incl 300 MT ROB
Cement Carrier	Sheng Ho	1987	18039	4816	675	Ctg
FPSO	Roar	1981	118095	26293		Alang, HKC
Livestock	Albaraka 6	1968	2006	1645		Alang
LPG	Fox	1982	1362	995	600	Ctg
LPG	Milangaz III	1976	1707	1228		Aliaga

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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
LPG	No. 1SJ Gas	1991	3706	1973		Alang
Non-Prop Barge	Cement 1	1976	75270	14738		Alang, U/T
Offshore	Posh Bawean	1998	3500	3367		As is Singapore
Passenger	Titan	1975	3000	9127		Gadani
Passenger	Super Star Aquarius	1993	6731	13283		As is Malaysia Enbloc
Passenger	Super Star Gemini	1992	6731	13283		As is Malaysia Enbloc
Passenger	Star Pisces	1990	2800	16772		As is Malaysia Enbloc
Platform Rig	Vega			25719		Alang, U/T
Reefer	Global Mariner	1988	7168	4010	626	
Reefer	Arctic	1983	4156	2214		Ctg
Repair / Barge	SS3	1985	4001	4278		Alang, U/T
Survey	SW Emerald	1992	1328	3028		Aliaga
Tanker	Sonangol Luanda	2000	159178	23192		En Bloc, As is Batam, Prev reported sold in Oct 21 failed
Tanker	Sonangol Girassol	2000	159057	23313		En Bloc, As is Batam, Prev reported sold in Oct 21 failed
Tanker	DA Yuan Hu	2004	159149	26829	625	As is China
Tanker	Ion	1998	105212	16640	707	Gadani, Only 2% address comm
Tanker	Nordic Rio	2004	151174	24275	702	Alang, incl large qty ROB
Tanker	Anastasia I	2000	105278	16896	685	Ctg
Tanker	Casti	2002	33757	10043	716	Ctg
Tanker	Houston	1985	32572	9310	728	Alang, Incl 300 MT ROB, sold as is Srilanka
Tanker	Sea World	2004	13034	3548		Alang
Tanker	Oneness	1997	8511	3215		Alang
Tanker	Niko	1984	3389	1060		Aliaga
Tanker	T Aurora	1996	3372	1212	690	Ctg
Tanker	Iria	2002	149921	24882		Alang HKC
Tanker	Debo	2002	36962	9879	720	High non-ferrous content, Buyer del option Alang/Gadani

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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Splendour Sapphire	1998	38962	9697	722	Gadani
Tanker	Sea Princess	1988	83651	16274		Gadani
Tanker	Ruby	2002	69599	13247		Alang
Tanker	Annabelle	2005	46746	10702		Ctg
Tanker	VS	2003	34558	9169		Alang
Tanker	Oceanic	1989	12325	4409		Gadani
Tanker	Joffa	1986	4999	2900		Ctg
Tanker	Song	2000	153077	23236		Alang, HKC
Tanker	Reo	1985	9304	2878		Alang
Tanker	Princess Sama	1999	6996	2368		Gadani
Tanker	Jal Doot I	2008	6308	2665		Gadani, vsl reported stolen and beached under different name
Tanker	Ocean Legend	1994	2207	971	682	Ctg
Tanker	Adebomi 1	1993	14730	5969	460	As is Lagos
Tanker	Aquanus	2006	109672	19699		Gadani
Tanker	Rey	2004	69636	13382		Alang
Tanker	Chemtrans Riga	2001	34810	8917		Ctg
Tween	Sormvoskiy	1978	3347	1277		Alang
Tween	Ercan Naiboglu	1983	5121	1400		Aliaga, U/T
Tween	Alwakra	1978	6208	1985		As is UAE

STATISTICS

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN APRIL 2022, 2021, 2020

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT - LT	Vessel	LDT – LT	Vessels	LDT – LT
2022	20	208,136	13	104,295	08	70,750
2021	16	144,320	21	240,621	12	140,280
2020	04	12,184	04	31,732	01	1,080

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VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – UPTO APRIL 2022, 2021, 2020

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT – LT	Vessel	LDT – LT	Vessels	LDT – LT
2022	66	503,819	59	597,298	33	312,119
2021	66	520,206	89	1,013,343	36	332,876
2020	64	323,871	54	648,767	14	35,563

Indicative Price Levels for end of April in Current Year Vs Previous Years

India	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	Apr 2022	665	645	715	675
	Apr 2021	485	475	530	515
	Apr 2020	Market Closed due to COVID			
	Apr 2019	430	420	475	445

Indicative Price Levels for end of April in Current Year Vs Previous Years

Bangladesh	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	Apr 2022	665	665	680	680
	Apr 2021	505	500	515	525
	Apr 2020	Market closed due to COVID			
	Apr 2019	455	430	485	465

Indicative Price Levels for end of April in Current Year Vs Previous Years

Pakistan	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	Apr 2022	670	665	675	685
	Apr 2021	510	505	515	520
	Apr 2020	Market closed due to COVID			
	Apr 2019	440	425	435	450

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Indicative Price Levels for end of April in Current Year Vs Previous Years

Turkey	Year	DRY	WET
	Apr 2022	420	430
	Apr 2021	230	240
	Apr 2020	225	225
	Apr 2019	270	275

Disclaimer: The information has been drawn from Wirana Shipping Corporation's (WSC) database and other sources. All efforts have been made to ensure that information contained in this report is accurate. While WSC has taken reasonable care in compilation of information, WSC makes no representations or warranties and cannot accept responsibility for error, omission or consequences therefrom.