



## **DEMO MARKET REPORT & MARKET OUTLOOK – February 3, 2025**

Report No.107/2731125/030225.

### **COMMENTARY**

**INDIA** – The local steel market is showing some signs of improvement in the finished and semifinished category. Prices offered by ship recyclers continue at the same levels. Prices of local steel plate, local scrap and imported scrap continued at the same levels as last week. Prices of billets and long products increased this week by about USD 7-10/MT. Despite more ships being offered in the Indian sub-continent, there were only a couple of small ships circulated in Alang this week. Ship recyclers have not increased their offer prices since last week. Directorate of Revenue Intelligence (Govt of India) is presently investigating an OFAC listed vessel which is at the outer anchorage of Alang, and was targeted to be brought into Alang for recycling, possibly, using false documentation. The Indian automobile industry has opposed a move to levy safeguard duty on steel imports. The country's central bank is using a foreign exchange swap to infuse liquidity into the financial system. The liquidity crunch is threatening to affect the economic growth of the country. The Indian Rupee has weakened by 2.40% against the US Dollar in last two months. This is partially due to the central bank loosening its control in maintaining a stable exchange rate. The national budget has been announced which brings in a strong consumption push by increasing personal income tax exemption limit expected to boost economy. Infrastructure has not got a special allocation in this budget compared to last year, shipping industry including ship building, shipping and ship breaking have been given incentives. For ship breaking, exemption from import duty for end-of-life ships has been extended up to 2035 and in addition credit note up to 40% of recycled value of ship will be given to ship owners and this credit note can be used by ship owners against purchases of new ships built in India. We may expect prices offered by ship recyclers to continue at the same levels for the time being while we will closely watch the budgetary impact on economy.

**PAKISTAN** – The local steel market continues at the same slow pace but there are some indications of possible improvement in demand for steel products. Prices offered by ship recyclers continued at the same levels. Prices of local scrap equivalent to shredded continued at the same levels as last week. Whereas prices of imported scrap were softer by USD 5/MT. Local rebar prices were reduced by about USD 10/MT. There have been no deals made for end-of-life tonnages for recycling this week as well. Thanks to the country's cooling inflation (*which has come to under 10% from 38% in May 2023*), the country's central bank has reduced interest rate further by another 1% this week, taking it to 12%. Reduced interest rates as well as reduced inflation are expected to give a boost to all round businesses, which is expected to also play a positive role in improving the local steel market. In the meanwhile, prices offered by ship recyclers would continue to be at the same level.



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**BANGLADESH** – There is no change to the slow-paced local steel market this week and prices offered by ship recyclers continued at the same levels. Local steel plate prices continued at the same levels where as local scrap prices increased by USD 19/MT. It is seen that the local scrap prices have been volatile for the last 4-6 weeks with huge price variations being seen. After a few quick deals concluded by ship recyclers during the past 2-3 weeks, there now seems to be a lower appetite amongst ship recyclers to buy more tonnages for recycling for some time. On the economic front the businesses are faced with multiple challenges in terms of high inflation, high interest rates, low consumer demand and weakness in local currency. Government spending on developments is also under tight control due to which no new infrastructure projects are being announced. In view of the prevailing position, it is expected that prices offered by ship recyclers could be under marginal pressure.

**TURKEY** – While there is no major improvement in the local steel demand, steel mills have pushed up their finished product prices in lines with increasing imported scrap costs. However, the buyers of the finished steel products are adopting a wait and see approach except for some small purchases being made by some traders. Imported scrap prices have increased by USD 5-8/MT this week. On the other hand, there has been an increase in supply of fresh tonnages for recycling in Aliaga due to which prices offered by ship recyclers are being negatively affected. Prices offered by ship recyclers for fresh tonnages reduced by another USD 10/LT LDT this week. With prices already having dropped by USD 20/LT LDT over the last 2-3 weeks, we would expect prices to now continue at the same levels.

**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** – While there are still many vessels that were offered in the earlier weeks and which are being and have been negotiated, there were very few new candidates circulated this week.

**MARKET OUTLOOK** – The dry segment experienced flat freight rates across all sizes and in the tanker segment there was a positive freight movement for VLCC while other sizes did not register any major change. The assets in the tanker segment have got a boost with strengthening of sanctions and nearly 10% of the tanker fleet are believed to be affected by such sanctions. The market value of secondhand assets in the tanker segment as well as the freight rate in tanker



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segment are expected to improve. Though, from a recycling perspective, about 20% of tanker fleet size, which are 20 years age or more, would need to head for recycling sooner than later despite positive freight movement. The LPG segment had flat freight rates except for VLGC which strengthened this week. The container segment has been quiet but that does not mean there is a lack of demand of freight rates are softening. Overall, supply of tonnages for recycling will continue at an improved pace.

### **MAIN DEMOLITION SALES DATA FOR 27<sup>th</sup> Jan 2025 – 31<sup>st</sup> Jan, 2025**

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Nolan	1998	153152	21861	422	Alang
Tweendecker	Millennium Leader	1996	11285	4493		As is Singapore
Bulker	Tasos	2000	75100	10738	476	Ctg, incl bunkers, vsl has heavy propeller
MPP	Alek	1988	5029	3120		Ctg
Bulker	Talent Blu	2008	8818	3589		Ctg
MPP	A K Hamburg	1982	5456	2574	440	Alang
Container	Zenith	1985	10354	3826		Ctg

### **MAIN DEMOLITION SALES DATA FOR PERIOD 1<sup>st</sup> Jan 2025 – 31<sup>st</sup> Jan, 2025**

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Itaugua	1997	300361	48100	Abt 447	Alang
Container	MSC Esha F	1993	12854	4950		Alang
Tweendecker	Len	1977	2677	1170		Aliaga
Tanker	Banglar Jyoti	1987	14541	3740		Ctg - En-bloc - local auction
Tanker	Banglar Shourabh	1987	14494	3787		Ctg - En-bloc - local auction
Bulker	Luiz	1994	42815	9100		Aliaga
Reefer	Tai Fu No. 3	1980	4166	2596		As is Bangkok
Tanker	Ark Progress	1995	7355	2635		Ctg
General Cargo	West Ocean 22	1993	4152	2461		Ctg
Tweendecker	Diamond Arrow	1992	6654	1990	310	Aliaga
Bulker	Rong Yuan	1997	70257	9165	460	Ctg
Bulker	Wellgem	1995	69925	9478		As is China
Bulker	Golden Orient	1998	73326	10644		As is Hong kong



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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Ocean Peace	1994	73144	10848		Ctg
Bulker	Leena	1994	22050	5040	441	Alang
LNG	Hyundai Greenpia	1996	71684	29976	Abt 635	Dlvd - Indian subcon option
Chemical Tanker	Martha Option	1993	13360	3868		As is Belawan, Contains SS
Tanker	Nolan	1998	153152	21861	422	Alang
Tweendecker	Millennium Leader	1996	11285	4493		As is Singapore
Bulker	Tasos	2000	75100	10738	476	Ctg, incl bunkers, vsl has heavy propeller
MPP	Alek	1988	5029	3120		Ctg
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### **STATISTICS**

#### **VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN JAN 2025,2024, 2023.**

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
Jan 2025	10	120,822	09	94,430	0	0
Jan 2024	15	90,219	14	59,788	03	31,967
Jan 2023	16	116,200	15	53,676	05	81,638

#### **VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – QUARTER 1 2025, 2024, 2023.**

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
2025	10	120,822	09	94,430	0	0
2024	45	347,704	34	199,663	11	105,845
2023	28	183,096	34	191,527	05	81,638



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### **INDIA - Indicative Price Levels for Jan in Current Year Vs Previous Years**

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Jan 2025	445	450	490	470	440
Jan 2024	475	485	525	490	455
Jan 2023	540	530	590	540	515
Jan 2022	570	565	630	590	560

\*(a) (Prices LT/LDT, less 3% Add Comm)

### **BANGLADESH - Indicative Price Levels for Jan in Current Year Vs Previous Years**

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Jan 2025	460	460	510	500	460
Jan 2024	515	515	545	540	505
Jan 2023	550	555	580	580	555
Jan 2022	640	630	655	655	625

\*(a) (Prices LT/LDT, less 3% Add Comm)

### **PAKISTAN - Indicative Price Levels for Jan in Current Year Vs Previous Years**

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Jan 2025	465	470	500	485	455
Jan 2024	530	530	545	540	510
Jan 2023	555	545	585	565	530
Jan 2022	625	620	630	640	635

\*(a) (Prices LT/LDT, less 3% Add Comm)

### **TURKEY - Indicative Price Levels for Jan in Current Year Vs Previous Years**

Year	DRY	WET	CONTAINER
Jan 2025	280	290	300
Jan 2024	350	360	370
Jan 2023	310	320	330
Jan 2022	320	330	340

\*(a) (Prices LT/LDT, less 2% Add Comm)

*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.*