



DEMO MARKET REPORT & MARKET OUTLOOK – January 20, 2025

Report No.105/1317125/200125.

COMMENTARY

INDIA – Low local steel demand and weakening Indian Rupee have affected sentiments of ship recyclers resulting in reduced prices being offered for recycling tonnages. Local steel plate prices continued at about the same level as has been the case since last month, but it must be noted weakening of local currency has resulted in price reduction of almost USD 10/MT during the last 30 days. Local scrap prices over the last 30 days have also dropped locally and in addition, considering the weakening of local currency, we see a price reduction of about USD 27/MT during the last 30 days. Demand for finished steel is weak in the local market to add to the challenges. Prices offered by ship recyclers have thus reduced by about USD 20/LT LDT this week. With inflation still above the targeted rate of 4%, there could be a delay in interest rate reduction which businesses and the economy urgently need for growth. In addition, tightening of sanctions is resulting in increased oil prices (India imports 90% of its oil) and US dollar is also strengthening. Due to these reasons, the weakness of Indian Rupee could likely continue for some time. We would expect prices offered by ship recyclers to continue at the reduced level for some time and the only expected positive news could be from the upcoming budget next month, if there is an announcement of increased capital expenditure spending to boost economic growth.

PAKISTAN – There was a slight rise in local steel market for a very short time but since imported scrap prices have been dropping globally, the local steel market has slowed down. Little optimism that was developing amongst ship recyclers last week has been reversed for the time being. Local steel mills are still operating at half their capacity. Imported scrap prices have been reduced by USD 5/MT whereas prices of local scrap equivalent to Shredded as well as prices of local rebars have remained unchanged this week. As has been the case for many months now, there was no deal for recycling tonnages concluded despite fresh candidates being offered to the ship recyclers. It is to be noted that since September 2024, there has been only one vessel received for recycling in Gadani. Considering that the country is tackling inflation, foreign exchange and interest rates very well, the country's finance minister is now aiming for structural change in the country's revenue generation by widening the tax base and improving collection of tax to GDP ratio to bring in sustainable economic growth, which is a good strategy. We would expect prices offered by ship recyclers to continue at the same levels.

BANGLADESH – Continuing weak local steel demand and weakening local currency has affected sentiments of ship recyclers. Local steel plate prices have reduced by USD 19/MT this week and local scrap prices have reduced by USD 27/MT. The local currency has also weakened by 1.75% this month as per official rates but if we were to consider actual cost to businessmen the local



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currency has weakened by about 4%-5% this week which substantially increases their purchase cost of recycling tonnages. In addition, we saw 4-5 bigger sized tonnages from dry segment offered this week for recycling. This increase in supply of tonnages for recycling, along with factors stated above, has resulted in ship recyclers now submitting much lower offers, by as much as USD 15-20/ LT LDT. The ship recyclers are looking to buy tonnages and are also concluding deals, but the prices offered are under pressure. Considering all the factors, we would expect prices offered by ship recyclers to remain under pressure.

TURKEY – Local steel market faced a situation of reduced pricing in the finished steel segment due to sluggish local steel demand and reduction in imported scrap prices. Prices in the local steel market have been under pressure for a couple of weeks now. Ship recyclers who had earlier held on to their price level are now offering lower prices by about USD 10-15/LT LDT. Imported scrap prices reduced by USD 10/MT this week. Ship recyclers continue to remain keen to buy recycling tonnages. The country's central bank may not go for another round of interest reduction soon as they would need to delicately balance inflation targets. Prices offered by ship recyclers are expected to 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 – The candidates being circulated has comparatively increased from dry and LNG segment. We would expect more deals to be concluded in the coming weeks.

MARKET OUTLOOK – Extensive sanctions on tankers has changed the supply equation due to which there is a revival of interest in securing long term tonnages helping the freight rates mainly for VLCC. The dry segment continues to experience weaker freight market but there is an expectation of rates improvement after the Chinese New Year. In dry segment second-hand assets, there is a gap in price expectation between Sellers and Buyers resulting in lesser buying interest. LPG freight rates have been mostly flat except for VLGC where the rates were under pressure. The container segment continued to enjoy good freight rates as well as second-hand demand. Ceasefire deal between Israel and Hamas for a period of six weeks and announcement by Houthis to stop attack on passing ships in the Red Sea are very positive news but this would not have any immediate impact on charter rates of vessels in containers or tanker segment as



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Ship Owners would like to wait and watch. Overall, there is an increase in vessels being circulated for recycling and this is expected to continue in the coming months with deals also being concluded in the coming weeks.

MAIN DEMOLITION SALES DATA FOR 13th Jan 2025 – 17th Jan, 2025

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
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
Bulker	Ocean Peace	1994	73144	10848		Ctg

MAIN DEMOLITION SALES DATA FOR PERIOD 1st Jan 2025 – 17th 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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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	07	59,939	05	49,267	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	07	59,939	05	49,267	0	0
2024	45	347,704	34	199,663	11	105,845
2023	28	183,096	34	191,527	05	81,638

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	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			WET	
	Cape / Pmx	Handymax	Container	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)*



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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	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	300	310	320
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.