



## **DEMO MARKET REPORT & MARKET OUTLOOK – July 22, 2024**

Report No. 80/15190724/220724.

### **COMMENTARY**

**INDIA** – Despite a drop in local steel prices there is a lack of demand for finished steel products, as well as intermediates which has resulted in weakening of ship recyclers sentiments. Local steel plate prices have been continuously dropping for more than four weeks now and in all have dropped by USD 33/MT. Local scrap prices have dropped by USD 41/MT during the last five weeks and during the same period imported scrap prices have dropped by USD 15/MT. Prices offered by ship recyclers during this period has also reduced by about USD 30/LT LDT. The market is lacking signs of demand recovery any time soon except if the national budget announcement next week on July 23rd brings in some positive news. Vessel workings for recycling this week were met with a lower level of participation as well as lower prices. While we will wait to see if the budget brings in change on market direction, we may expect prices for fresh tonnages to be under pressure this week.

**PAKISTAN** – Lack of improving demand is the main concern in the local steel market. Prices in the local steel market for local scrap equivalent to shredded, steel plates and imported scrap have broadly remained unchanged this week. Ship recyclers are continuing to offer the same price levels despite an increase in duty and other production costs. There are not many fresh tonnages being offered for Gadani this week though, there are very few interested ship recyclers looking for fresh tonnages now. The construction sector is slow during the monsoon season resulting in a slowdown of sales in the local steel market. Considering the present market situation, we may expect prices offered by ship recyclers to be under pressure.

**BANGLADESH** – Local steel plate prices improved by USD 4/MT this week whereas local scrap reduced by USD 4/MT. Imported scrap prices remained unchanged this week. Riots in the country (to protest government job reservations) since the middle of this week have affected market movement due to which there have been low sales thereafter. Prices offered by ship recyclers have softened this week by about USD 10-15/MT. Foreign exchange availability continues to be difficult as the country works to address its reducing foreign exchange reserves. Vessels offered to the ship recyclers this week did not attract interest of ship recyclers. We would expect prices offered by ship recyclers to be under pressure.

**TURKEY** – The local steel market continues to be stable this week and prices offered by ship recyclers also continued at same levels. There was some increase in rebar prices this week



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although business activities are slow. There are expectations that import scrap prices from US and Europe may increase or at least not reduce further. Supply of fresh tonnages for recycling continues to be slow. We will expect prices offered by ship recyclers to continue at the same levels and could marginally strengthen in the coming week.

**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** – Supply of tonnages for recycling was low this week as well. Supplies of smaller vessels were mainly from dry and there was one container vessel from MSC. One LNG was vessel circulated for recycling or further trading but will most likely find a secondhand buyer.

**MARKET OUTLOOK** – Supply of fresh tonnages for recycling will continue to be difficult to come by for this quarter as has been the case for many months. Despite present mixed freight rates performance across segments since the last couple of weeks, the freight rates are well above historically good freight rates and there is a good demand for secondhand assets as well. At the same time present weak steel markets in the major recycling destinations has resulted in lesser number of ship recyclers looking to acquire fresh tonnages and at least not at the high prices (*sometimes speculative*) seen in the past few months (*Turkish ship recyclers could be an exception amongst the major ship recycling destination where the local market is comparatively better*).

### **GREEN RECYCLING –**

1. Arab Shipbuilding and Repair yard (ASRY) in Bahrain is looking to expand into ship recycling. A MOU has been signed with A.P.Moller – Maersk (APMM), whereby APMM will evaluate and establish a ship recycling initiative in the Kingdom of Bahrain. A.P. Moller- Maersk has very well proved their abilities and strength to execute responsible ship recycling earlier. Price levels offered by ASRY for recycling candidates would be critical to ensure long term sustainability of ship recycling activities.



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### MAIN DEMOLITION SALES DATA FOR 15<sup>th</sup> JULY – 19<sup>th</sup> JULY,2024

| Type            | Name of Vessel       | Built | DWT   | LDT   | Price   | Remarks                         |
|-----------------|----------------------|-------|-------|-------|---------|---------------------------------|
| Container       | MSC Iris             | 1982  | 21370 | 10655 | abt 525 | Alang, incl bunkers of abt 500T |
| Pass/Roro/Cargo | Su Zhou Hao          | 1992  | 2235  | 5903  |         | As is Zhoushan                  |
| Tweendecker     | Ever Express         | 2004  | 3800  | 1377  | 490     | Ctg                             |
| Container       | Watermark St. George | 1998  | 12310 | 5380  | 300     | As is Curacao                   |

### MAIN DEMOLITION SALES DATA FOR PERIOD 1<sup>st</sup> JULY – 19<sup>th</sup> JULY, 2024

| Type            | Name of Vessel       | Built | DWT   | LDT   | Price   | Remarks                         |
|-----------------|----------------------|-------|-------|-------|---------|---------------------------------|
| Bulker          | Yun Shuo 7           | 2008  | 12099 | 3531  |         | Ctg                             |
| MPP             | Onur                 | 1972  | 3510  | 1310  |         | Aliaga                          |
| Trawler         | Artemis              | 1985  | 3350  | 4150  |         | Aliaga                          |
| Bulker          | Xiang                | 2020  | 7757  | 3947  | 470     | Ctg                             |
| Bulker          | Shun Da Fa Zhan      | 1994  | 43246 | 7985  |         | As is Zhejiang                  |
| Offshore vsl    | Pioneer              | 1978  | 817   | 1348  | 530     | Ctg                             |
| Tweendecker     | Pan                  | 1984  | 3626  | 1662  |         | Ctg                             |
| OSV             | Empire Persia        | 1972  | 612   | 1805  |         | Denmark                         |
| Container       | MSC Iris             | 1982  | 21370 | 10655 | abt 525 | Alang, incl bunkers of abt 500T |
| Pass/Roro/Cargo | Su Zhou Hao          | 1992  | 2235  | 5903  |         | As is Zhoushan                  |
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### STATISTICS

#### VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN JULY 2024,2023, 2022.

| Year      | INDIA   |          | BANGLADESH |          | PAKISTAN |          |
|-----------|---------|----------|------------|----------|----------|----------|
|           | Vessels | LDT – LT | Vessels    | LDT – LT | Vessels  | LDT – LT |
| July 2024 | 03      | 29,045   | 05         | 12,522   | 01       | 3,500    |
| July 2023 | 08      | 76,719   | 14         | 67,238   | 0        | 0        |
| July 2022 | 03      | 24,198   | 10         | 20,250   | 01       | 471      |



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| Year | INDIA   |          | BANGLADESH |          | PAKISTAN |          |
|------|---------|----------|------------|----------|----------|----------|
|      | Vessels | LDT – LT | Vessels    | LDT – LT | Vessels  | LDT – LT |
| 2024 | 02      | 26,516   | 05         | 12,522   | 01       | 10,673   |
| 2023 | 27      | 217,333  | 54         | 322,353  | 05       | 55,368   |
| 2022 | 16      | 123,548  | 31         | 134,572  | 02       | 1,343    |

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

| Year      | DRY        |          |           | WET    |      |
|-----------|------------|----------|-----------|--------|------|
|           | Cape / Pmx | Handymax | Container | Others | VLCC |
| July 2024 | 485        | 485      | 535       | 495    | 470  |
| July 2023 | 490        | 500      | 530       | 515    | 475  |
| July 2022 | 540        | 545      | 575       | 555    | 530  |
| July 2021 | 555        | 545      | 615       | 570    | 545  |

*\*(a) (Prices LT/LDT, less 3% Add Comm) (b) We have introduced VLCC as a separate item in Wet segment from Jan 2023*

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

| Year      | DRY        |          |           | WET    |      |
|-----------|------------|----------|-----------|--------|------|
|           | Cape / Pmx | Handymax | Container | Others | VLCC |
| July 2024 | 515        | 515      | 545       | 545    | 515  |
| July 2023 | 560        | 555      | 605       | 595    | 570  |
| July 2022 | 615        | 610      | 645       | 630    | 605  |
| July 2021 | 600        | 590      | 620       | 625    | 600  |

*\*(a) (Prices LT/LDT, less 3% Add Comm) (b) We have introduced VLCC as a separate item in Wet segment from Jan 2023 onwards*

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

| Year      | DRY        |          |           | WET    |      |
|-----------|------------|----------|-----------|--------|------|
|           | Cape / Pmx | Handymax | Container | Others | VLCC |
| July 2024 | 520        | 525      | 540       | 535    | 505  |
| July 2023 | 505        | 510      | 535       | 520    | 485  |
| July 2022 | 610        | 605      | 640       | 620    | 590  |
| July 2021 | 600        | 590      | 605       | 625    | 595  |

*\*(a) (Prices LT/LDT, less 3% Add Comm) (b) We have introduced VLCC as a separate item in Wet segment from Jan 2023 onwards*



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

| Year      | DRY | WET | CONTAINER |
|-----------|-----|-----|-----------|
| July 2024 | 340 | 350 | 360       |
| July 2023 | 300 | 310 | 320       |
| July 2022 | 230 | 240 | 250       |
| July 2021 | 280 | 285 | 290       |

**\*(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.*