DEMO MARKET REPORT & MARKET OUTLOOK – July 6, 2026

Report No.179/29030726/06072026

COMMENTARY

INDIA – The local steel market is passing through the monsoon phase of lower steel demand while prices offered by ship recyclers continue at the same levels. Local steel plate prices continued at the same levels whereas local scrap prices were reduced by USD 5/MT. Imported scrap prices were reduced by USD 6/MT whereas prices of intermediaries and finished steel products were reduced by about USD 2-8/MT. Lower seasonal demand and the resulting rising inventories will keep steel prices subdued in the coming month. However, when you look at the prices being offered by ship recyclers for recycling candidates it shows a buoyant picture because there have been two vessels sold this week for recycling and both were sold at about 5-7% above of workable value – something that can be called as “scarcity premium”. We have been consistently seeing offers well above workable levels for last few ships sold for recycling. There was a meeting of Union minister of PSW with EU Commissioner Jessika Roswall this week to review ongoing audit and compliance process for Indian SRF seeking to be EU listed. The EU commissioner reaffirmed that EU’s approach remains consistent with outcome of EU Free Trade Agreement. The matter will be discussed with EU member states this autumn before any final decision can be taken. While Indian government is very serious at EU listing of Indian, there is a lack of clear signal from EU Commission so far. In the meanwhile, we would expect prices offered by ship recyclers to continue at the same levels.

PAKISTAN – The local steel market is passing through a phase of slow steel demand and increasing steel supply from outside the country. Both have a negative impact on pricing, but prices offered by ship recyclers have continued at the same levels. Local steel plate prices continued at the same level. Prices of local scrap equivalent to shredded were reduced by USD 10/MT this week. Also, imported scrap prices have been reduced by USD 13/MT and local rebar prices have reduced by USD 15-20/MT. Vessels from the dry segment have been circulating this week and ship recyclers are also keen to buy recycling tonnages. There were two vessels received by SRF in the last week. As the country’s economy has stabilized, it is now planning to tap the Eurobond market to raise funds at a cheaper cost. The country’s inflation has reduced marginally but continues to be at 11% over the one-year period. Considering the current pressure in the local steel market we may expect prices offered by ship recyclers to be under pressure.

BANGLADESH – Local steel market continues with an element of caution, but ship recyclers continue to maintain same price levels. Prices of local steel plates as well as prices of local scrap were increased by USD 4/MT this week. This has been a much-needed respite because the local steel plate prices had reduced by USD 28/MT cumulatively in the preceding two weeks. The local steel movement from the ship recycling facilities to the re-rolling mills has also improved compared to the previous week. However, prices of imported scrap as well as prices of imported scrap equivalent to shredded were reduced by USD 5/MT this week. It has been a quiet week on ship recycling front as hardly any new candidates were circulated this week, and this has helped to keep prices offered by ship recyclers continuing at the same levels. The Bangladesh bank said in a monetary policy statement that they will maintain a “contractionary monetary policy stance” basis which it has kept interest rate unchanged. To improve the economy, the government has sought new loan arrangement with IMF of about USD 2 billion. Local currency has marginally weakened to Bangladeshi Taka 123.34 against the US Dollar. We may expect prices offered by ship recyclers to be under pressure in the coming weeks.

TURKEY – A continuous drop in imported scrap prices has its spill over effect across all the local steel products but prices offered by ship recyclers continue at the same level. Imported scrap prices were reduced by another USD 8/MT this week. There has been a continuous reduction in imported scrap prices for the last two months and over this period there has been a substantial cumulative reduction of USD 40/MT. Local scrap prices have reduced by USD 5/MT this week. In addition, local demand for finished steel products is also weak due to which there is lower movement despite reduced prices. There is anticipation of further price reduction due to which end buyers are cautious when buying now. It is interesting to note that prices offered by ship recyclers were mostly stable compared to the price drops seen in the imported scrap prices. The flow of recycling candidates is slow but considering most of the ship recycling facilities have ships at their facilities, there is no rush amongst ship recyclers to look out for recycling candidates. We would expect prices offered by ship recyclers may come under pressure.

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 supply of recycling candidates was slow with supplies seen mainly from the dry segment.

MARKET OUTLOOK – The tanker segment has seen charter rate improvements across all sizes except Aframax this week. The LPG segment saw softening of charter rates, but the demand had picked up towards end of the week with some rate improvements being seen. The LNG segment had a softer week in terms of charter rates across all variants. The container segment seems to be benefitting from one more difficulty being faced of port congestion which has further reduced available container vessels. Port congestion in Europe is on account of extreme heat which reduces efficient working of man as well as machines whereas China -USA route are seeing front loading by retailers to import before expiration of section 122 blanket tariffs in USA expire in last week of July 2026. The Dry segment had a good week of charter rate improvements across all sizes with capesize seeing a good demand whereas there was a marginal softening of charter rates for handy sizes. Flow of recycling candidates will continue to be slow to moderate, and we could be seeing resumption of steam turbined LNGs coming in for recycling.

GREEN RECYCLING:

Last fortnight was interesting for green ship recycling,

1. 15th meeting of the Open-ended Working Group of the Basel Convention took place in Geneva for three days. There was an active discussion on whether, how or if both Basel Convention and HKC can both regulate ship recycling. It has been decided that both the regulations cannot apply at the same time. The Parties and observers can submit their view to BC -Secretariat by 30th October 2026 on how legal clarity and coordination between the HKC and Basel Convention can be achieved.

2. There was a meeting of Union minister of PSW and EU Commissioner Jessika Roswall this week to review ongoing audit and compliance process for Indian SRF seeking to be EU listed. Pursuant to the meeting, each SRF that has submitted application for EU listing has been asked by Indian Competent Authority to submit information on their status vis-à-vis EU application.

   In context of above, it would be interesting to note that EU Commission is currently reviewing technical guidance for third country ship breaking facilities. In May 2026, Recycling Europe, EUROFER and the NGO Ship Breaking Platform urged EU Commission to put a clear ban on beaching (*being practiced mainly in the Indian sub-continent*) and landing methods (*being practiced mainly in Turkey*).

3. The Indian PSW Minister Sarbananda Sonowal said that the Indian government has committed USD 8 billion to support growth of its ship building and ship recycling industries. The minister stated that India plans to recycle 16000 ships over next 10 years as it will double its ship recycling capacity in the coming years. It is interesting to note that

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BIMCO stated that a total 16000 ships are expected to be sent for recycling globally over next 10 years as well.

MAIN DEMOLITION SALES DATA FOR PERIOD 29th June to 3rd July, 2026

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
General Cargo	Pine Arrow	1996	48041	12574	438	Alang
Reefer	Frio Antarctic	1995	9357	5685	565	Alang, incl 150T IFO and 37T MGO

MAIN DEMOLITION SALES DATA FOR PERIOD 1st July 2026 to 3rd July, 2026

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
General Cargo	Pine Arrow	1996	48041	12574	438	Alang
Reefer	Frio Antarctic	1995	9357	5685	565	Alang, incl 150T IFO and 37T MGO

STATISTICS

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN JULY 2026,2025, 2024.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
July 2026	01	8,148	07	80,101	01	7,176
July 20251	12	146,034	07	98,764	03	23,877
July 2024	04	31,846	09	28,177	02	13,776

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – QUARTER 3 2026, 2025, 2024.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
2026	01	8,148	07	80,101	01	7,176
2025	38	440.981	12	171,838	07	40,517
2024	21	157,275	30	141,528	04	29,211

WIRANA
SHIPPING CORPORATION

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
July 2026	420	430	485	445	420
July 2025	425	430	475	440	420
July 2024	485	485	525	495	475
July 2023	490	500	530	515	490

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

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
July 2026	495	495	525	515	490
July 2025	410	410	435	415	395
July 2024	515	515	545	545	520
July 2023	560	555	605	595	575

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

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
July 2026	485	490	500	495	470
July 2025	445	445	470	460	440
July 2024	520	525	540	535	510
July 2023	505	510	535	520	485

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

TURKEY – Indicative Price Levels for July in Current Year Vs Previous Years

Year	DRY	WET	CONTAINER
July 2026	270	280	290
July 2025	250	360	270
July 2024	340	350	360
July 2023	300	310	320

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