



### **DEMO MARKET REPORT – JULY 2021**

#### **COMMENTARY**

**INDIA** – Weakening of local steel plate prices seen in last week of June. There was stability of local steel plate prices in first half of July, albeit, at lower levels since there was weakening of prices by end of June. In the second half of July there was a good price increase seen of about USD 35 / MT LDT. Strong price increase in local market along with low supply of fresh tonnages coupled with high prices offered by Pakistan and Bangladesh resulted in an improved price offered by Ship Recyclers for fresh tonnages this month by about USD 45-50/ MT LDT, although it still lagged well behind the prices offered by Pakistan and Bangladesh. Indian Rupee registered marginal strengthening of just about 0.75% during the month but it helped maintain positive sentiments. Monsoon has not at all affected the prices being offered by Ship Recyclers this year. Transport strike in Alang during the last week of July which still continues has affected offtake of steel products for Ship recyclers. There have been encouraging reports of expected improvements in steel demand as automobile, infrastructure and white goods market which would result in strong local demand of steel in short to medium term period. We would expect prices to stay strong and could improve marginally.

**PAKISTAN** – Local steel plate prices remained firm through the month of July and continue to maintain the strength with local steel prices at record high levels. Limited supplies of fresh tonnages resulted in further improvement in prices offered by Ship Recyclers during the month by about USD 25-35 / MT LDT. Fundamentals look healthy and strong based on which we would expect good appetite for fresh tonnages from Ship Recyclers. On 4<sup>th</sup> August Federal Board of Revenue has raised minimum value of long steel products including re-rollable ship plate and other re-rollable material obtained from ships (minimum value to levy sales tax raised by about USD 60/ Ton) which will affect prices offered by ship recyclers negatively. Although exact impact of this has yet to be seen.

**BANGLADESH** – Ship recyclers here maintained their lead in prices offered for fresh tonnages during the month as well as confirmed a good number of deals during the month. It would be noted that prices offered by Ship Recyclers improved during the month by about USD 25-30 / MT LDT. The country continued to remain in lockdown during most part of the month and the lockdown still continues, although beaching has been permitted during the lockdown period. Domestic construction projects are going at a good pace due to which there is good demand in local steel markets. We expect prices to remain strong during the month of August with a



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possibility to improve based on lower fresh tonnages offered, strong steel demand locally as well as globally.

**TURKEY-** The market has been stable all through the month of July. Non-EU listed Ship recyclers maintained their prices offered for fresh tonnages at about USD 300 / MT LDT levels whereas EU listed Ship recyclers offered prices purely based on demand and supply situation. Cruise ships have been keeping EU listed yards busy. It would be noted that international scrap prices (HMS 80: 20) of USA origin basis CNF Turkey dropped by about USD 20/MT during the month. We could expect prices offered by Ship recyclers to partially reduce during the month of August.

**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** – Tankers and Offshore units continued to be offered for recycling during the month of July and unlike expectations of many, supply of fresh tonnages continued in the summer months, although we would note that supply as such has been low during last few months. Even within tankers, we have seen plenty of small tankers being offered for recycling. We would expect supply of fresh tonnages from tankers and offshore to continue at a slow pace as seen during this year.

**OUTLOOK FOR AUGUST** – With Container and Dry Bulk segment experiencing a phenomenally strong market, we will see very few units being offered for recycling from those segments. However, since tanker segment is still experiencing a weak market, we would expect supply of tankers to continue, specially, in view of strong demolition rates currently prevailing. Scarce fresh tonnage for recycling and strong local market in recycling destinations along with strong international demand for steel indicate that prices would continue to remain strong with a possibility to improve further although the improvement now would be at a slower pace. Increasing number of Covid cases is one factor that needs to be closely monitored since it can affect global demand and resultant effect on pricing.



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**Green Recycling** – It has been a quiet month of Green Recycling front and as such there are no new developments to share in this report.

#### MAIN DEMOLITION SALES DATA FOR JULY 2021 and 1ST WEEK OF AUGUST

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	K Phoenix	1996	148681	17724	553	As is S. Korea, incl abt 200 MT bunkers
Bulker	Karunia	1993	69235	9462	585	Ctg, Incl Bunker undisclosed
Bulker	Saga Tide	1991	47029	10456		Alang, HKC
Bulker	Rin	1979	85256	17780		Gadani
Chem Tanker	Elka Eleftheria	2001	44787	10180		Gadani
Chemical Tanker	Parsa	1991	8224	3099	1060	Alang, Vsl has about 533 MT Solid Stainless Steel
Container	Dole California	1989	11800	8314	620	Alang, Has 40 ft spreader of abt 6.1 MT LT, HKC. Price is net & DA to Buyers acct
Container	Dole Ecuador	1989	11613	8327	620	Alang, Cuinia spare propeller worth USD 225k, 40ft spreader 5.54LT, HKC, Price is net & DA to Buyers acct
FPSO	Brotojoyo	1980	59643	12100	615	As is Batam
H. Lift	Zhen Hua 22	1983	32292	13742		Ctg
LNG	Baltic Energy	1983	69991	27652.40	750	Ctg, Vsl has 3500 MT aluminium content, U/T
LPG	Gas Icon	1994	5588	2481	610	Ctg
LPG	Saehan Capella	1997	3175	2099		Option Delivery
Offshore/Repair vsl	Trinity Supporter	1982	20627	8176		Ctg
OSV	Sea Tech 1	1986	1751	2679		Alang
OSV	Albatros 07	1985	1814	1240	495	Alang



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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Pass/Cargo	Nicobar	1981	4963	7923	456	As is India
Passenger	Tros	1976	5936	14320		Alang ex Al Batros
Passenger	Albatros	1973	5936			Alang
Ropax	Hanil Gold Stella	1995	5489			Ctg
Tanker	FPSO Rubicon Vantage	1987	72040	19697		As is Kosichang, Thailand, incl bunkers undisclosed
Tanker	Simba	1996	45229	10845	560	Gadani
Tanker	Yason	1998	4700	1614		Alang
Tanker	SW 2	1979	4890			Ctg
Tanker	Bull Sumbawa	2001	31632	7718	575	Ctg
Tanker	Sartstraun	1980	2533	1100	605	Alang, Has high Stainless Steel - Qty not disclosed
Tanker	Lila Dubai	2010	97135	18055		as is Oman, damaged, U/T to Gadani
Tanker	Atlantic 1 (FSO)	1996	146268	23318		Buyers have Full Subcon delivery option
Tanker	Dreamer (FSO)	1982	43981	9625		Gadani
Tanker	Sky	1991	7715	4950		Alang
Tanker	Pallady	1984	4999	43131		Ctg
TS Hopper Dredger	Leiv Eriksson	2010	78386	26629		Aliaga

### **STATISTICS**

#### **VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN JULY 2021, 2020, 2019**

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT - LT	Vessel	LDT – LT	Vessels	LDT – LT
2021	15	82,616	14	159,447	15	194,207
2020	20	337,686	10	245,101	09	87,250
2019	17	195,300	09	48,238	04	16,082



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#### **VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – JANUARY TO JULY 2021, 2020, 2019**

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT - LT	Vessel	LDT – LT	Vessels	LDT – LT
2021	125	899,197	153	1,679,467	84	706,260
2020	111	1,141,368	84	1,204,853	29	225,258
2019	123	1,007,443	165	1,786,827	23	73,894

#### **Indicative Price Levels for end of July in Current Year Vs Previous Years**

India	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	July 2021	535	525	585	550
	July 2020	285	275	320	305
	July 2019	375	370	415	410
	July 2018	420	410	470	450

#### **Indicative Price Levels for end of July in Current Year Vs Previous Years**

Bangla desh	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	July 2021	585	575	595	600
	July 2020	300	285	325	325
	July 2019	410	390	425	420
	July 2018	440	420	455	450



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#### **Indicative Price Levels for end of July in Current Year Vs Previous Years**

Pakistan	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	July 2021	585	575	590	600
	July 2020	345	340	350	355
	July 2019	405	400	410	410
	July 2018	430	410	435	440

#### **Indicative Price Levels for end of July in Current Year Vs Previous Years**

Turkey	Year	DRY	WET
	July 2021	280	285
	July 2020	200	210
	July 2019	265	270
	July 2018	250	255

*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.*