



### **DEMO MARKET REPORT – MARCH 2021**

#### **COMMENTARY**

**INDIA** –Even though market fundamentals showed no signs of improvement, prices offered for fresh tonnages by Ship Recyclers saw an increase of about USD 30-40 per LT LDT during the month. This increase is mainly due to short supply of fresh tonnages seen in previous months and a resulting price increase in sub-continent. Recyclers could also offer price increase since previous month's strong improvements in fundamentals were not fully translated to improved prices offered by Recyclers. There is an expectation that local steel prices could see an improvement in April based on strong domestic demand but an expected increased supply of fresh tonnages could also push the prices of fresh tonnages lower. Surging Covid19 cases in India could also temporarily affect sentiment. Considering all the factors, we could expect prices in April to remain at same levels or marginally soften.

**PAKISTAN** – Local steel market started on a firm note this month but softened by second week. Towards end of the month we see local steel prices are firm based on good local demand. Pakistani Rupee strengthened during the month by about 4%. Prices offered by Recyclers also Improved by about USD 40 during the month mainly due to lower supply of fresh tonnages. It would be important to note that Recyclers are afraid to pick up fresh tonnages at high prices due to the risk that current level of prices would not continue for long especially if there is an increase in supply of fresh tonnages. Considering overall market situation, we could expect prices to marginally soften in April.

**BANGLADESH** – Lack of fresh tonnages resulted in a significant improvement in prices offered by Recyclers to the extent of USD 45- 50. Local steel market had registered a marginal price improvement during the month but that was wiped out by end of the month. Bangladesh has entered into second lockdown for a week, in view of surge in Covid19 cases. While it is expected that banks and government offices will work at 50% capacity, it could affect overall market sentiment and immediate demand nonetheless. We could expect prices offered by Recyclers for fresh tonnages to marginally soften in April.

**TURKEY**- Prices offered for fresh tonnages dropped by about USD 15-20 during the month. This was as a result of strong negative sentiment in the market during the 2<sup>nd</sup> half of the month. Though the negative sentiment was not without reason. International scrap prices dropped by about USD 25-30 during the month and in addition to that Turkish Lira was getting weaker. There



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was a reduction in Turkish Lira by about 11% to USD. Markets sentiments are now stable and we could expect prices to remain at present levels or register marginal gains during April.

**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 during the majority of the month of March was slow due to strong freight market in container and bulker segment as well as improving second hand prices. The shortage of supply for fresh tonnages led to a price increase in later part of the month which tempted some ship owners to send their ships for demolition. We saw increased supply of tankers that were offered and concluded in the process. There were some offshore units too that were offered though number was small. We have some reports which foresee increased supply of tankers for demolition this year (about 65 – 90 tankers) due to either tankers approaching fourth special survey or other regulatory requirements.

**OUTLOOK FOR APRIL**– Increased price levels being offered now would result in more demo candidates being placed in the market. Increased supply may be initially met by hungry ship breakers but it may not continue considering that present steep increase in prices being offered were mainly due to scarcely available fresh tonnages. With Ramadan starting in April, we would expect a slight slowdown in business. We could expect prices offered for fresh tonnages to marginally soften

#### **GREEN RECYCLING:**

1. In a landmark ruling, first of its kind by any higher court, anywhere in the world, the Court of appeal of England and Wales has held that a shipping company in London selling a vessel in South Asia could owe a “duty of care” to ship breaking workers in Bangladesh even where there were multiple third parties involved in the transaction.
2. SEB Bank, Shipping finance provider, has joined RSRS (Responsible Ship Recycling Standard). SEB is now 12<sup>th</sup> member on this initiative. Other ship finance banks that are already part of RSRS initiative are ABN AMRO, Danske Bank, DNB, Eksportkreditt,



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Hamburg Commercial Bank, ING, KfW IPEX-Bank, NIBC, Nordea, Sparebank SR-Bank and Sparebanken Vest.

#### MAIN DEMOLITION SALES DATA FOR MARCH 2021

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Accom Barge	Offshore Olympia	1984	3123	5049	175	Enb-bloc with Olympia - as is Lome
Accom Barge	Olympia	2006	3861	5563	175	Enb-bloc with O. Olympia - as is Lome
Bulker	Sino Merchant	1997	322457	37479	473	Ctg
Bulker	The Merciful	1997	73999	9796	478	Gadani
Bulker	Sino Carrier	1992	266307	38506	479	Indian subcon option
Bulker	Texas Enterprise	1981	36414	7646	415 / 435	As is Djibouti 415/ As in Mumbai 435
Bulker	Shanghai	1991	156750	20010		Full Sub Con del option
Bulker	Harmony	1991	156183	22237		Full Sub Con del option
Bulker	Star Grip	1986	43713	10600		Aliaga
Bulker	Best Success	1990	42469	6500		Gadani
Bulker	EBM Discovery	1992	39110	6918		Gadani
Bulker	B Atlantic	1983	38056	7278		
Container	Grand Midas	1992	5965	2070	460	Ctg
Container	Sunny Bright	1997	6383	2392		Ctg
Container	Dole Honduras	1991	16320	8291	471	Alang , 6 Aux Engine, Heavy wkg Prop, Bowthruster
Container	Maersk Taasinge	1994	28550	8965		As is Jebel Ali
Container	Ji Hong	1996	7485	2756		Ctg
Container	Sealand Sun	1990	5782	2032		As is S. Korea
Dredger	Dravo Costa Dorado	1987	3123	1370		Spain
Dredger	Adriatico	1967	GRT840	1461		Belgium
FPSO	Perisai Kamelia	1980	127540	34000		As is Johor
FPSO	Berge Helene	1976	274333	36229		As is Singapore, HKC U/T
FPSO	Layang	1981	68139	14315		As is Dubai
Geo Survey	Yasmin M	1983	394	1200		Gadani



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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Jack Up	West Sirius	2008	GRT30142	24947		Aliaga
Jack Up	Msheireb	1976	GRT6289	9117		As is
LNG	Ramdane Abane	1991	83296	28018	345	As is Arzew
LPG	Seohae Gas	1995	2999	2068		Ctg
MPP	Baby Leem	1991	4706	2461		Alang
MPP	Enigma	1997	4618	3232		Aliaga
Passenger	Starry Metropolis	1976	2402	8315		As is Hong Kong, Auction
Pontoon Barge	H-114	1982	39776	8814		Denmark
Roro	Hermes III	1997	5952	6569		Ctg
Semi-Sub	Ocean America	1988	23912	Abt 13000		U/T
Semi-Sub	Bras XII	1983	7212	Abt 12000		Alang
Tanker	Fortune Glory XLI	1997	33540	10222	481	Ctg
Tanker	Sea Princess	1993	4586	3027		Alang
Tanker	Fateyevo	1985	3389	1226	445	Ctg
Tanker	Sun I	2001	109326	19853		Ctg
Tanker	Al Masalah	1982	13845	4400		Gadani
Tanker	Hari Sagar	1983	7535	2386		Ctg
Tanker	ACS 85	1995	5974	2411		Ctg
Tanker	Nabiin	2002	106361	16337	475	Ctg, incl ROB 800T
Tanker	Golden Nori	1997	11679	3118		As is Singapore
Tanker	Ocean Amethyst	1995	45999	9077	510	Ctg, GFHW, En-Bloc
Tanker	Laris	1996	13843	5538	845	Alang, high quantity Stainless Steel
Tanker	Nilza	1981	17754	5898	341	As is Brazil
Tanker	Nara	1982	17792	5985	337	As is Brazil
Tanker	Theresa Dua	1996	16337	5366		Alang
Tanker	Angel 201	1993	3392	1238	215	Equador
Tanker	Belama Sweet	1996	302789	40189		Gadani
Tanker	Primo I	2000	105578	15904		Ctg
Tanker	Alsatayir	2006	104635	17742		Ctg
Tanker	Disco 01	1992	41461	8227		Ctg
Tanker	Agros	1996	34955	8965		Ctg
Tanker	Katrina	1980	26026	7489		Gadani
Tanker	Manta	1995	13488	2960		Ctg



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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Pvt Sea Lion	1995	16187	4452		Alang, high quantity Stainless Steel
Tanker	Jizan	1995	5121	1630		Alang
Tween	Joanna VI	1976	2933	968		Aliaga
VLCC	Winson No. 5	2001	312679	45580	484	As is Singapore, GFHW - En-Bloc
VLCC	Darin Star	1994	299700	40970	440	As is Malaysia

### **STATISTICS**

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

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT - LT	Vessel	LDT – LT	Vessels	LDT – LT
2021	10	56,868	33	264,110		
2020	07	76,641	11	121,741	01	2,484
2019	14	142,834	25	290,456	02	1,964

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

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT - LT	Vessel	LDT – LT	Vessels	LDT – LT
2021	50	375,886	68	777,722	12	99,725
2020	60	471,687	50	617,035	13	34,483
2019	48	357,387	84	893,888	07	17,251

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

India	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	Mar 2021	455	445	500	485
	Mar 2020	Mkt Closed	Mkt Closed	Mkt Closed	Mkt Closed
	Mar 2019	420	410	460	435
	Mar 2018	420	400	455	430



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

Bangladesh	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	Mar 2021	490	485	500	510
	Mar 2020	Mkt Closed	Mkt Closed	Mkt Closed	Mkt Closed
	Mar 2019	450	430	480	465
	Mar 2018	445	430	465	455

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

Pakistan	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	Mar 2021	490	485	495	500
	Mar 2020	Mkt Closed	Mkt Closed	Mkt Closed	Mkt Closed
	Mar 2019	435	420	430	445
	Mar 2018	465	445	470	0

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

Turkey	Year	DRY	WET
	Mar 2021	230	240
	Mar 2020	225	225
	Mar 2019	280	285
	Mar 2018	335	340

*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.*