



DEMO MARKET REPORT – NOVEMBER 2021

COMMENTARY

INDIA – The month started on a firm note but market started showing signs of softening from second week. Local plate prices dropped by about USD 30/ MT which was mainly due to slower demand from local industry. This was triggered by a drop in Chinese steel export prices which made local steel prices higher. Ship Recyclers, resultantly, reduced their offering for fresh tonnages but in view of low supply of fresh tonnages, the drop in prices was by about USD 20/ MT. While overall steel segment outlook for first half of 2022 looks good, we would expect prices under pressure in December with a gradual improvement from January 2022. Lower supply of fresh tonnages are definitely helping to hold the prices at their present levels.

PAKISTAN – In spite of adverse situation faced on currency front during the entire month as well as weakening of Chinese steel export prices, Ship recyclers continued to broadly maintain prices offered by them for fresh tonnages. This is on account of good demand fundamentals in local market as well as lower supply of fresh tonnages. There was a depreciation in local currency by about 5% in the month and the pressure on currency could be expected to continue in short term. Though, it must be noted that there is a cautious approach being adopted by Ship Recyclers and this would likely continue during the month of December resulting in prices to be under pressure.

BANGLADESH – We saw firming up of rates in local steel plate prices in the first half of the month which also resulted in improvement in prices offered by Ship Recyclers by about USD 10 /MT. However, a drop in imported scrap prices by about 10/ MT as well as drop in local steel market in second half of the month resulted in prices offered by Ship Recyclers reducing by USD 10/MT. While there is strong inherent demand for steel in the country complemented by lower supply of fresh tonnages, current drop in prices of Chinese exports, softening of demand in China for steel as well as drop in imported scrap prices are all weighing in on the Ship Recyclers due to which they are all very cautious. This cautious mood is likely to prevail during December putting prices under pressure. From January, we would expect an improvement.

TURKEY- Currency depreciation by about 40% in one month is one of the most worrying factor for businesses in terms inflation, local demand and consumer confidence. The main reason for steep currency depreciation has been a government policy decision of a massive cut in Turkey's benchmark interest rate. In spite of this, prices offered by Ship Recyclers for fresh tonnages



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improved by about USD 20/ MT during November but we would expect prices to be under pressure in December.

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 – Tanker continued to be the major source of supply during the month due to a weak freight market being experienced. On tanker freight, earlier expectation of freight rate improvement on back of increase in oil prices registered a short term setback as major oil consuming nations decided to release oil reserves. New Variants of Corona virus also continues to put pressures on global recovery and thus affecting oil demand outlook. US-Iran negotiations have also resumed and how they progress in coming weeks will need to be seen. Overall, tanker market freight recovery is difficult to predict and in that lies the possibility of an increased supply of tankers heading to recycling.

OUTLOOK FOR DECEMBER – In terms of pricing for fresh tonnages, low supply of fresh tonnages is presently the only strong positive factor today. All other factors such as reduced demand of steel from China and resultant price reduction, drop in imported scrap prices, new Covid variant and its possible impact, not so strong property market outlook for China in 2022 are all the negatives that are affecting the sentiments of the market. Based on these, we would expect prices to be under pressure during the month of December. The said pressure would gradually ease off in beginning of 2022 since apart from China, global steel demand outlook continues to be good.

GREEN RECYCLING:

European Commission, in its proposal for a new regulation on waste shipments stated that Basel Convention should take precedence over other criterions. Based on which EU Waste Shipment Regulation proposal now states that EU flagged vessels intended to be scrapped whilst under EU jurisdiction are no longer exempted from EU waste laws which makes it illegal to export hazardous wastes from OECD to non-OECD country.



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MAIN DEMOLITION SALES DATA FOR NOVEMBER 2021

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Deck Pontoon	Medrock 4	2006	10284	1875		Gadani
Heavy Lift	Zen Hua 19	1984	30451	18863		As is UAE
LPG	Ducyang Gas	1990	1300	1140		Ctg
LPG	PP 1	1983	560	614		Ctg
LPG	Ramagas	1989	16137	6720		Alang, 10 MT spare propeller, 50-60 MT solid SS
MPP	Natalia	1983	4792	1449		Spain
MPP	Ocean 68	1989	6846	2369		Ctg
Pass/ Ferry	Express Pegasus	1977	5995	4296		Aliaga
Passenger	Antares Experience	1993	7781	30106		Aliaga
Passenger	Superstar Libra	1988	5000	17512		Aliaga
Pipe Lay Barge	Roqu	1973	GRT10696	11335		As is USA, U/T
RORO	Dodo	1979	4920	3350		Alang
Tanker	Alba Sun	1996	99448	16726		Gadani
Tanker	Asia Adventurer	1989	9013	2763		Alang, all cargo SS coated and SS heating coils
Tanker	Astra	2002	149995	22560	576	As is Manglore, HKC
Tanker	Aventine	1997	99343	16727	620	Ctg
Tanker	Banyan Pride	2002	37808	9508	597	As is Kandla, HKC
Tanker	Blue Ship	2001	164859	24370	600	As is Singapore, incl ROB
Tanker	DK 1	1998	47262	9212	639	As is Colombo
Tanker	ETC Mena	2001	107181	16433	654	As is Singapore, suff bunkers for voyage
Tanker	Glomma	1992	4758	1826		Alang
Tanker	Golden	2002	69684	13166		Alang
Tanker	Goldstar Nari	1999	6001	2947		Alang
Tanker	Jacob	2000	157499	22572	625	As is Batam
Tanker	Liquid Ara	1992	9035	2830		Alang, Has 16 SS Cargo tanks and SS heating coils
Tanker	Navion Anglia	1999	126749	26475		Aliaga
Tanker	Norv Arg	1980	1063	828		Aliaga
Tanker	Ocean Winner	2002	37224	8749	595	As is Malaysia



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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Oman Pride	1994	299986	38435	527	As is Sohar, U/T, not in GFHW condition
Tanker	Ostrov Russkiy	1985	7199	2396	658	Ctg
Tanker	Queen Ematha	1989	13937	4074	615	Gadani
Tanker	Redsea Pearl	1997	4999	1894		Gadani
Tanker	Victory	1998	47225	9249		Gadani
Tanker	Win Lotus	1990	7078	2871	750	Ctf Centre tanks + Heating coils solid Stainless Steel
Tanker	Xin Da	1986	2898	1091		Ctg
Tanker	Yuhua Star	1997	16026	4602	1040	As is UAE, high Solid SS
Tween	Day	1976	3498	1870		Aliaga
VLOC	Berge Kangchenjunga	1994	263237	39613	630	As is Singapore, 61 MT Working propeller, incl ROB suff for voyage

STATISTICS

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN NOVEMBER 2021, 2020, 2019

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT - LT	Vessel	LDT – LT	Vessels	LDT – LT
2021	16	148,118	19	218,544	10	24,093
2020	18	152,955	08	50,456	11	129,926
2019	16	74,925	12	172,369	02	9,193

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – JAN TO NOV 2021, 2020, 2019

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT - LT	Vessel	LDT – LT	Vessels	LDT – LT
2021	191	1,404,894	235	2,329,420	128	1,012,372
2020	168	1,653,758	126	1,632,123	89	748,903
2019	175	1,386,044	212	2,305,103	31	102,923



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Indicative Price Levels for end of November in Current Year Vs Previous Years

India	Year	DRY			WET	
		Cape / Pmx	Handymax	Container	Tanker	
	Nov 2021	575	565	640	600	
	Nov 2020	395	385	415	405	
	Nov 2019	355	350	385	385	
	Nov 2018	415	400	450	425	

Indicative Price Levels for end of November in Current Year Vs Previous Years

Bangladesh	Year	DRY			WET	
		Cape / Pmx	Handymax	Container	Tanker	
	Nov 2021	615	605	635	635	
	Nov 2020	400	390	405	410	
	Nov 2019	375	355	385	385	
	Nov 2018	435	415	460	455	

Indicative Price Levels for end of November in Current Year Vs Previous Years

Pakistan	Year	DRY			WET	
		Cape / Pmx	Handymax	Container	Tanker	
	Nov 2021	615	605	625	635	
	Nov 2020	390	380	390	400	
	Nov 2019	370	360	375	380	
	Nov 2018	440	420	455	445	

Indicative Price Levels for end of November in Current Year Vs Previous Years

Turkey	Year	DRY	WET
	Nov 2021	320	330
	Nov 2020	220	230
	Nov 2019	245	250
	Nov 2018	290	295

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.