

8<sup>th</sup> to 15<sup>th</sup> June, 2020



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Germany

Greece

Dubai

Hong Kong

Japan

# WEEKLY SHIP RECYCLING REPORT



## CERTIFICATE

The largest ship ever scrapped is the ST Mont with a deadweight of 564,763 tonnes, which was achieved by Priya Blue Industries Pvt. Ltd. (India) and Best Oasis Ltd (Hong Kong) at Plot No. V-1, Alang Ship-Breaking Yard, Gujarat, India, and was completed on 12 November 2010

OFFICIALLY AMAZING



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WEEK

# GLOBAL SHIP RECYCLING MARKETS



With monsoon around the corner and 80% of workers returning back to their villages, ship recyclers in India might temporarily snooze their operations.

Peaking covid19 pandemic keeps all businesses in Bangladesh to focus only at meeting their ends, yet recyclers in this week made a couple of fresh bookings.

Financial budget for the fiscal year 2020-2021 have been announced in both Pakistan and Bangladesh. Ship recyclers feel that in this budget they wont be burdened with additional taxes.

Situation in Turkey is improving. Mills have booked large quantities of HMS scrap to increase their production and to restart their supply in European countries.

Interestingly, cash buyers that are active in the business are hiring chartered planes to make change of crew happen.



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Slow moving market conditions.

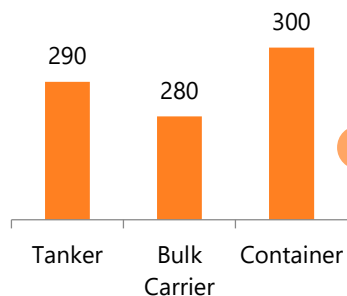
#### Covid19 Cases

Confirmed – 332,000

Recovered – 170,000 (51%)

Deaths – 8,498

## INDIA



1

Ship recyclers in Alang are resistant to book new tonnages because:-

- 1) Coronavirus infection is spreading rapidly across the country, they fear that under such circumstances the Government may anytime impose 1 more round of lockdown.
- 2) Monsoon is around the corner with limited workers to carry out the recycling.
- 3) Instability in the prices of ship plate.

2

Though beaching of ships with foreign crew is permitted in India with SOPs and guidelines, there still exists some confusion in the latest circular issues by the Ministry of Home Affairs that mentions, foreign crew of nationalities such as Chinese, Bangladeshi, Sri Lankan & Ethiopian are not allowed inwards.

The association "SRIA" have also approached the competent authorities for a clarification.

3

In Mumbai and Delhi, the coronavirus cases are increasing rapidly. These are priority-A cities within the country with highest containment zones. Experts fear that a second wave of virus might hit anytime soon in these region.

4

In the last week, Importation of containerized HMS was on a standstill.

Post covid19, mills have adopted the 'just in time' production technique. Hence prices of domestic scrap is not gaining any positive momentum neither in its demand nor in its price.

Beaching Dates: 2<sup>nd</sup> to 10<sup>th</sup> June followed by 19<sup>th</sup> to 27<sup>th</sup> June, 2020

All figures are in USD values



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Healthy buying seen by Bangladeshi ship recyclers.

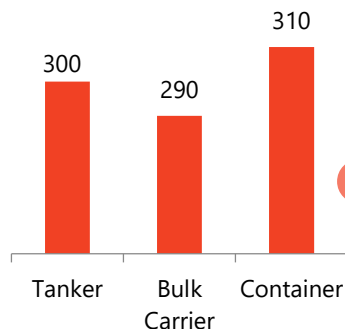
#### Covid19 Cases

Confirmed – 87,520

Recovered – 18,730 (21%)

Deaths – 1,171

# BANGLADESH



All figures are in USD values

1

Coronavirus is rapidly spreading across Bangladesh, all major industries here are operating at breakeven or notional losses. Importation of HMS scrap was not active in this week.

Recyclers with an appetite are buying vessels despite the slow-moving market conditions.

2

In the budget announced for financial year 2020-2021 there is no major change of for ship recyclers. In fact there are certain tax benefits for the ease of doing business. This may eventually bring in some stability here.

3

Recyclers that had previously acquired large tonnages at a higher entry point are facing tremendous pressure in the present-day market. Already there is surplus inventory for mills plus traders and recyclers are importing more supplies at a lower price point.

4

In this decade Bangladesh was regarded as a developing country but if the pandemic continues to spread like fire, in no time its status quo will reverse back to an underdeveloped country. Unfortunately, the economy may end up giving away its treasury to fight against the virus.

Beaching Dates: 4<sup>th</sup> to 7<sup>th</sup> June followed by 21<sup>st</sup> to 24<sup>th</sup> June 2020



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Recyclers are ready to book tonnages.

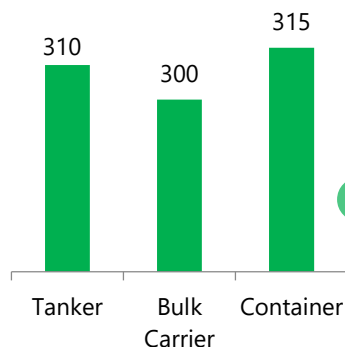
#### Covid19 Cases

Confirmed – 144,000

Recovered – 53,721 (37%)

Deaths – 2,729

## PAKISTAN



1

The financial budget for the year 2020-2021 has been announced. In the last 68 years, the economy has shrunk for its first time.

- 1) About 2% reduction will be granted in Additional custom
- 2) Advance income tax is reduced from 4.5% to 2% (discount of 2.5%)
- 3) More tax benefits for businesses involved in HMS scrap

2

Ship recyclers are actively looking for tonnages as well as offers from cash buyers. The demand for HMS scrap continues to increase and we strongly feel that this demand is here to stay, until satisfied.

3

With Emirates first and now Etihad resuming its international air corridor from Pakistan, beaching of delivered ships with foreign national crew on board doesn't seem a big challenge any longer. In fact within the sub-continent, Pakistan is the only ship recycling nation that has opened its international airport for general public as well as stranded foreigners.

4

In coming weeks we may encounter a lot of vessels being sold to Port Gadani for its recycling purpose, which indeed is a good come back for the ship recycling community based out of this region.

Beaching Dates: 1<sup>st</sup> to 30<sup>th</sup> June, 2020

All figures are in USD values



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Demand for HMS is increasing.

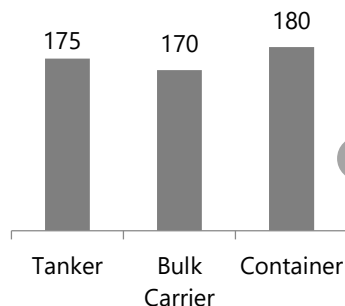
#### Covid19 Cases

Confirmed – 178,000

Recovered – 151,000 (85%)

Deaths – 4,807

## TURKEY



1

Mills are trying to raise their production, due to this the demand for scrap is also increasing. Businesses in Europe are resuming with a marginal improvement in demand for Turkish rebars. In this week, large cargoes of HMS 80:20 and shredded scrap were shipped from USA to Turkey.

2

Turkish Government is providing a lot of financial aid to its citizens to cope up with the losses made during the Covid19 pandemic. Loans are being provided at subsidized rates to economically comfort businesses and general citizens.

3

Non-green ship recyclers based out of this region are actively enquiring for tonnages. All EU-Approved yards are occupied.

4

Prices of HMS have inched up by USD 5 in this week. We anticipate that in the coming times demand and prices will remain stable since all restrictions related to lockdown have been lifted now.

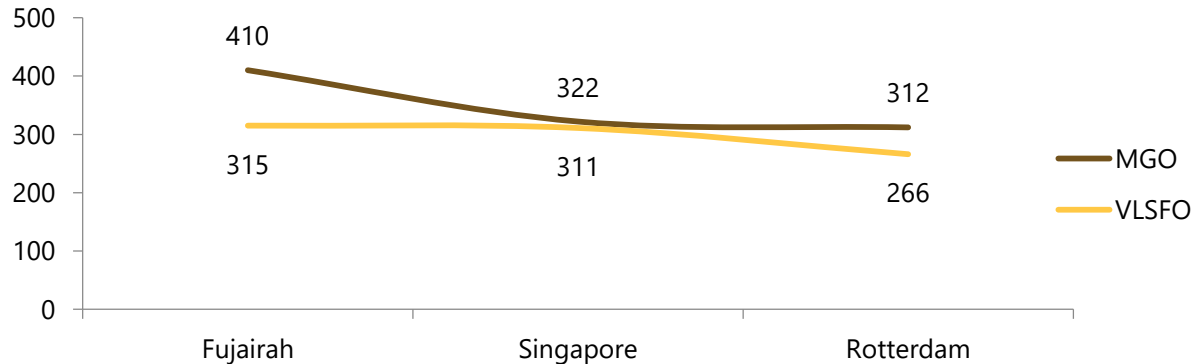
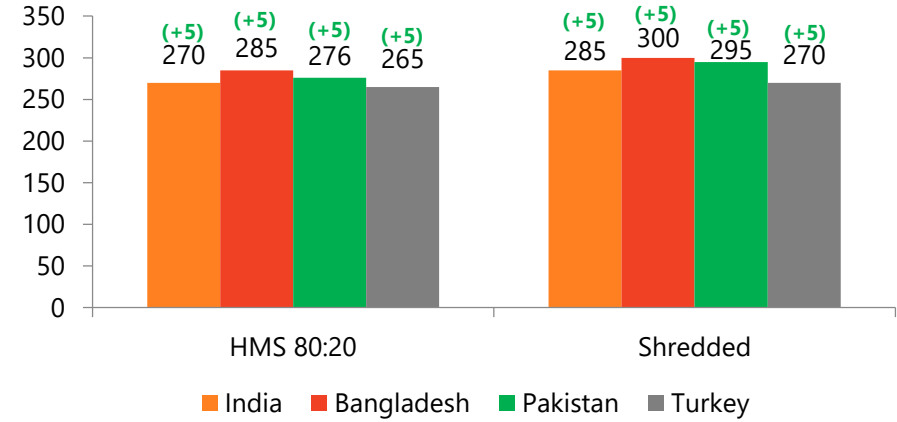
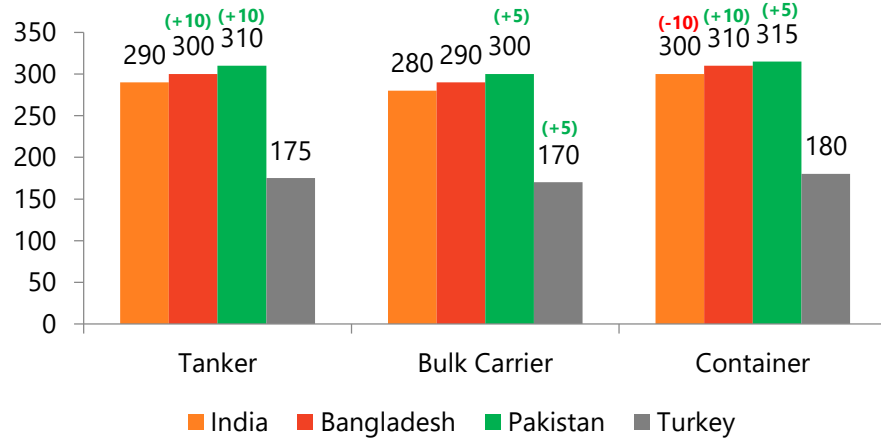
Beaching Dates: 1<sup>st</sup> to 30<sup>th</sup> June, 2020

All figures are in USD values

# PRICING INDEX



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All figures are in USD values

# LIST OF VESSELS SOLD IN THIS WEEK



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Vessel Name	Type	Year of build	Country of Built	LDT	Term of sale	Location of delivery	Sale Price (In USD)
Stellar Knight	VLOC	1994	S. Korea	38,450 MT	DELIVERED on Private terms	Chattogram, Bangladesh	UNDISCLOSED
Stellar Samba	VLOC	1994	Japan	38,941 MT	DELIVERED	Delivery to sub-continent in buyer's option with 1,000 MT of ROB bunker	USD 295
Stellar Iris <small>sold en-bloc with Stellar Samba</small>	VLOC	1995	S. Korea	35,038 MT	DELIVERED	Delivery to sub-continent in buyer's option with 1,000 MT of ROB bunker	USD 295
Pusan	Container	2000	S. Korea	24,702 MT	DELIVERED	Alang, India. It's earlier sale stands null and void due to coronavirus	UNDISCLOSED
BFP Melody	Container	1998	Spain	5,048 MT	DELIVERED	Chattogram, Bangladesh	USD 323



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