

# WEEKLY SHIP RECYCLING REPORT



22<sup>nd</sup> to 29<sup>th</sup> November 2020



**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



# GLOBAL SHIP RECYCLING MARKETS



The market has become highly active this week leading to a fierce competition among Cash Buyers to compete with each other by increasing their bids. Recyclers have a running demand for tonnage whereas the supply is on a comparatively lower side.

The Suez Canal authority is extending discounts to vessels operating between Europe and Asia to encourage more vessel owners and operators to use the Suez Canal instead of the longer route through Cape of Good Hope.

The Baltic dry index rose continually for eighth day to its highest in three weeks on Thursday. The restocking demand placed by steel mills due to increased global consumption has helped in this price rise.

New lockdowns and travel restrictions imposed to curb the rising COVID cases dampens the hope of Oil product Tankers which were expecting to benefit from the seasonal winter boost. The new lockdown measures had an immediate effect on the number of cars on road and frequency of air travels and eventually led to a decrease in oil demand.

The oil prices which were on rise due to positive news around COVID vaccine saw a dip this week on Thanksgiving Thursday. Prices next week are expected to react to OPEC news, as OPEC+ meeting will take place on November 30 and December 1 to discuss the path forward and the production quotas for each member.

With news about a viable COVID vaccine being around the corner, the next challenge is for the Logistics and Supply chain community to come up with a strategic plan to safely ship these vaccines to every part of the world.

We believe our shipping industry will fulfil its responsibility in the most efficient manner to bring the world out of this global crisis.



# INDIA

TANKER VESSEL: USD 360/LDT | BULK CARRIER: USD 350/LDT | CONTAINER SHIP: USD 390/LDT

## Positive market outlook

The race for securing tonnage is getting intense due to tight supply and high demand.

Prices of ship plates and HMS in the local market of Alang is stable and in a healthy range and hence recyclers are quite actively looking out for tonnage.

The remarkable prices obtained for Vessels having Stainless-Steel content shows the appetite for good quality tonnage in domestic market.

There is a high demand coming from mills in North and West region. To meet the rising demand, traders are trying to get their hands on any type of scrap available in the market to hedge a profit while selling it to the mills.

The Government of India has decided to regulate freight charges levied by shipping firms for export, import and local transportation and has added this new provision in the draft Merchant Shipping Bill, 2020 prepared by the Ministry of Ports, Shipping and Waterways that seeks to repeal and replace the Merchant Shipping Act, 1958 and the Coasting Vessels Act, 1838.

This is a welcoming news for customers but may have a negative impact on Ship Owners.

COVID-19 caseload in India has soared past 9.3 million. The Directorate General of Civil Aviation announced on Thursday that International flights to and from India have been suspended till 31st December 2020 and planes will fly only on select routes on a case-to-case basis. India has formed air bubble pacts with around 18 countries which allows special international flights to be operated between their territories.

**Beaching Dates: 29<sup>th</sup> November to 6<sup>th</sup> December; 12<sup>th</sup> to 20<sup>th</sup> December 2020**



# BANGLADESH

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TANKER VESSEL: USD 385/LDT | BULK CARRIER: USD 375/LDT | CONTAINER SHIP: USD 395/LDT

## Rising HMS Prices

The dissolution of Ship Recyclers' Cartel came as a huge relief for recyclers in Chittagong as they can now bid competitively for vessels and get their preferred tonnage.

Prices of Ship plates and HMS have increased significantly, this week in itself witnessed an uptrend of USD 15 / MT.

Recyclers are extremely happy with the improvement in prices coming hand in hand with the dissolution of the cartel!

Ship Breakers here are actively looking out for tonnage and are ready to book at competitive prices keeping in mind the demand coming from their domestic market.

So far, the supplies of containerized HMS continue to remain tight and hence the domestic market is gaining a lot of attention. Looking at this ongoing trend, we feel recyclers in Bangladesh will very soon break the USD 400 / MT mark for acquiring recyclable ships.

**Beaching Dates: 29<sup>th</sup> November to 2<sup>nd</sup> December; 13<sup>th</sup> to 16<sup>th</sup> December 2020**



# PAKISTAN

TANKER VESSEL: USD 380/LDT | BULK CARRIER: USD 380/LDT | CONTAINER SHIP: USD 390/LDT

## Market pendulum moving towards correction

No new vessels have arrived in Gadani this week for recycling.

In the domestic market, price of melting scrap is up by USD 45 / MT. But on the other hand, prices of ship plates remain unchanged. Improvement in price was highly needed for boosting local market sentiment.

Recyclers in Pakistan have tonnages in abundance now, which is not a worry unless the supplies of shredded containerized scrap continue to remain tight.

With the incoming winters as well as year-end holidays approaching from the second week of December, foreign trade business may tend to remain less active and hence the local market will gain a lot of traction in its trade activity.

COVID cases are continuously increasing and the government is imposing restrictions on a regular basis to ensure a control on new infections.

**Beaching Dates: Throughout the month**



# TURKEY

TANKER VESSEL: USD 230/LDT | BULK CARRIER: USD 220/LDT | CONTAINER SHIP: USD 240/LDT

## Stable market conditions

Two vessels have arrived at Aliaga this week.

With the addition of two more EU approved yards in Turkey due to Brexit, the recycling activities have expedited in Aliaga, Turkey.

A large number of vessels were waiting in anchorages at Greece and nearby areas as the yards were falling short of recycling spaces.

We can expect to see an increase in recycling activity at Turkey due to the rise in number of EU approved yards there.

Import scrap price have touched \$350 per LDT this week. It has continually been on a rise from past few weeks.

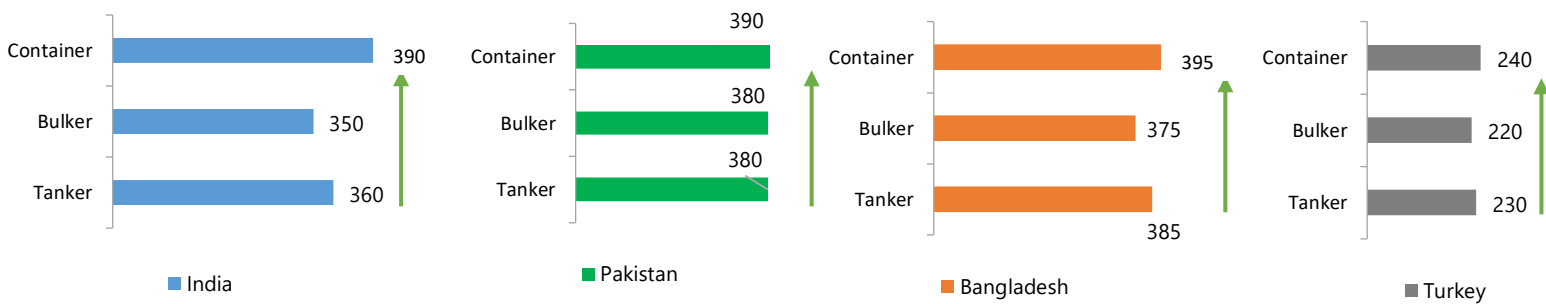
Turkish Lira had quite volatile run this month and is currently trading around 7.80 TL/USD with comparison to 7.55 last week. It dropped to 7.89 after CBRT revised banks' reserve requirements.

COVID cases are rising with more than 6,000 hospitalization cases every day and the death rate is increasing manifold.

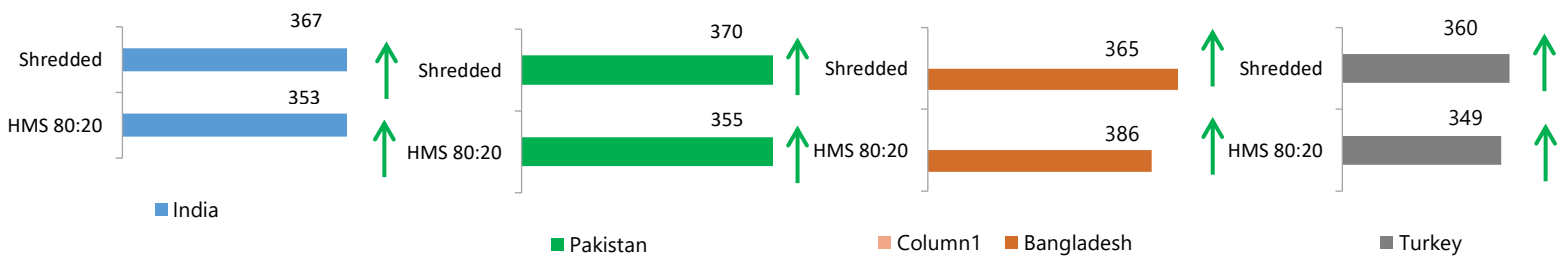
**Beaching Dates: Throughout the month**

# PRICING INDEX

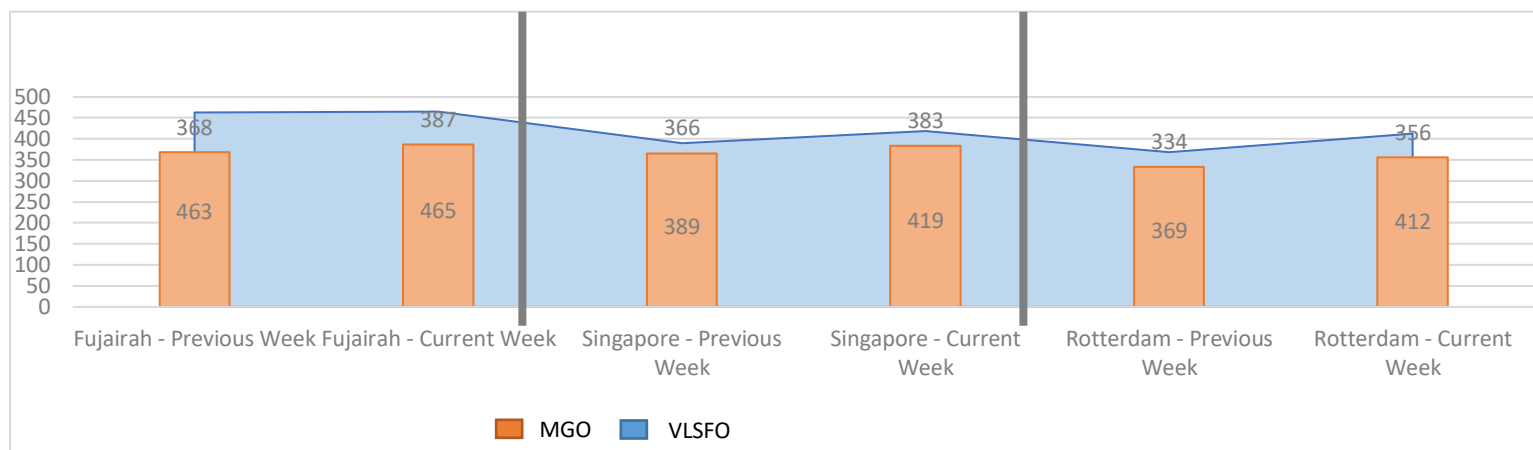
## Prices of recycling ships within the subcontinent



## Prices of foreign origin containerized HMS within the subcontinent



## Bunker prices at Port - Fujairah, Singapore & Rotterdam



# LIST OF VESSELS SOLD THIS WEEK

## Vessels sold for recycling purpose

Vessel Name	Type of vessel	Year of Build	Country of Build	LDT	Term of Sale	Location of Delivery	Sale Price (USD)
<b>Al Ezz Al Saudi*</b>	Tanker	1994	Japan	2101	Delivered	Pakistan	356
<b>NBCO 3*</b>	Tanker	1981	Finland	2680	Delivered (Under tow)	Pakistan	356
<b>Taihua Spirit</b>	Tanker	1997	Italy	5627	Delivered	India	755
<b>Gas Indonesia</b>	LPG	1990	Japan	2,049	Delivered	India/Pakistan	Undisclosed
<b>Zara</b>	General Cargo	1983	Spain	2,943	Delivered	Pakistan	Undisclosed
<b>Silver Shark</b>	Bulk Carrier	1985	Japan	5636	Delivered	Pakistan	Undisclosed
<b>Sarah F</b>	General Cargo	1984	Germany	4,462	Delivered	India/Pakistan	392
<b>Hornbay</b>	Reefer	1990	Yugoslavia	7,932	As Is	E. Med	Undisclosed

\* Enbloc

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