

# WEEKLY SHIP RECYCLING REPORT



**18<sup>th</sup> February to 25<sup>th</sup> February 2022**

## Highlights of the Week

A pandemic followed by a war; the volatility being experienced throughout the world is clearly reflected in the prices of everything under the sun. Oil prices have crossed the USD 100-mark, energy prices are soaring across different regions, global equity markets tumbled, and commodities are struggling to find stable footing. During such unprecedented times it becomes difficult to make substantial buying decisions due to the fear of unforeseen changes, which is why most of the recyclers are looking for mid-sized tonnages and refraining from investment in large-sized tonnages, inspite of the robust steel market. Overall, the subcontinent ship recycling market is performing remarkably well with stable demand and supply across the major recycling destinations i.e., Bangladesh, India, and Pakistan.

Global dynamics will certainly re-align, impacting commodity flows as Russia is the world's third-largest steel exporter after China and Japan while combined Russia and Ukraine control almost 10% of the total seaborne steel trade.

The situation between Russia and Ukraine will exacerbate the seafarer crisis, since 14.5% of the workforce is comprised of the two countries. In addition to the operational issues that may arise due to Ukrainian crew on a ship calling at Russia, or Russian crew on ship calling at the Ukraine, the sanctions may make it difficult for shipowners to pay both Russian and Ukrainian crew.



# INDIA

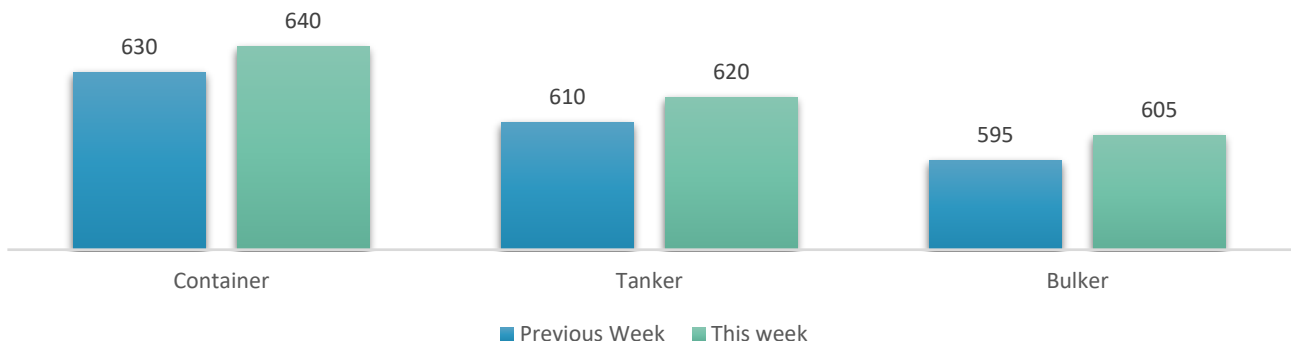
## Market maintains strong momentum

Domestic steel prices have maintained their momentum week after week, allowing recyclers to bid competitively for vessels available in the demolition market. The offer prices have moved up by about USD 10/LDT during this week.

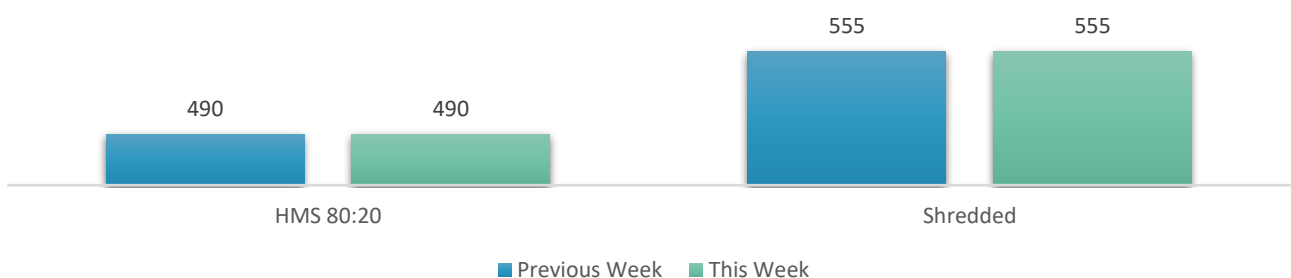
Sanctions on Russia may benefit steel exporters for a short term as supply disruption in EU region could result in increasing demand for Indian steel.

The Indian Rupee fell by 1.3% as currency market sentiment have been hit amid the ongoing conflict between Russia and Ukraine. It is currently trading at INR 75.26/USD.

### Price for Recycling Ships in India



### Price of HMS 1&2 (80:20) and Shredded



### Beaching Dates:

27<sup>th</sup> February to 6<sup>th</sup> March 2022

17<sup>th</sup> March to 24<sup>th</sup> March 2022

30<sup>th</sup> March to 5<sup>th</sup> April 2022



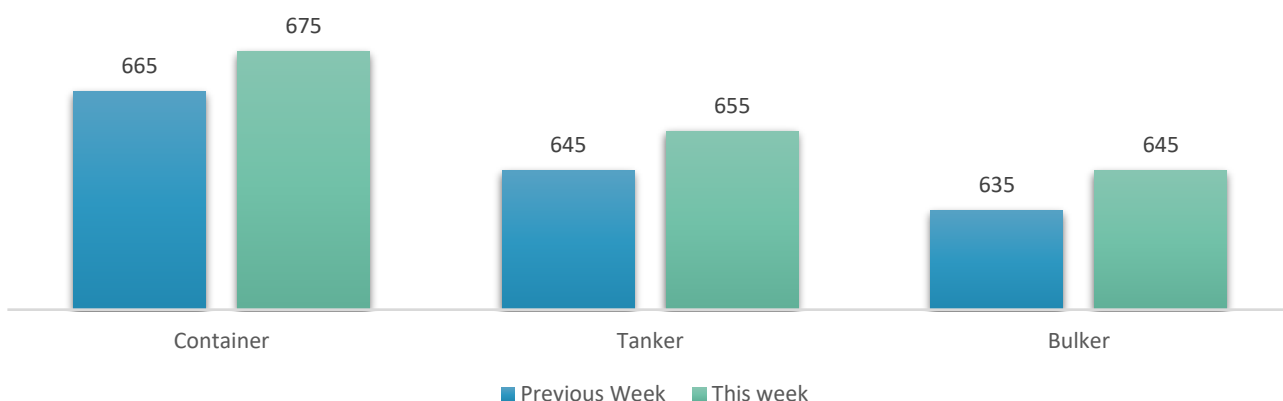
# BANGLADESH

## Leading the Subcontinent Market

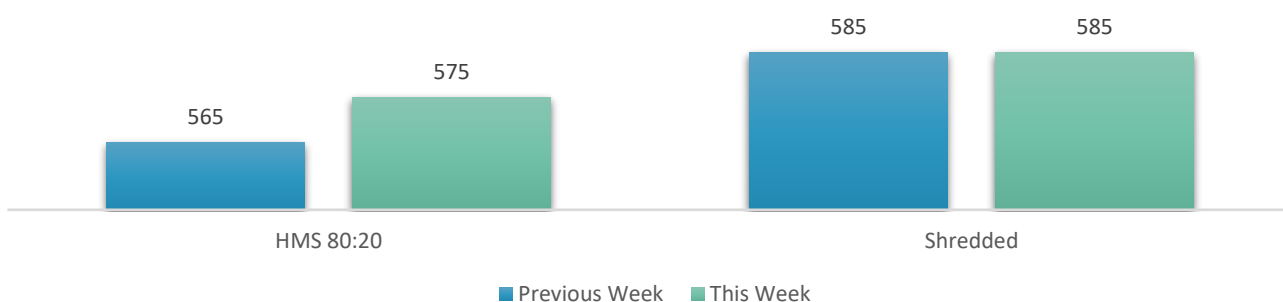
The local market which was mostly quiet for the past few weeks due to smog and rainy days is now back with increase in trading activities and spike in prices thereby improving offer prices from end buyers. The price levels are expected to remain stable as they are backed by strong economic fundamentals.

Demand for imported scrap has shot up as all major mills have raised their rebar prices by about USD 20-25/MT. It will eventually lead to an escalation in imported scrap prices as the freight rates continue to surge and supply is limited.

### Price for Recycling Ships in Bangladesh



### Price of HMS 1&2 (80:20) and Shredded



### Beaching Dates:

3<sup>rd</sup> March to 6<sup>th</sup> March 2022

19<sup>th</sup> March to 22<sup>nd</sup> March 2022

1<sup>st</sup> April to 4<sup>th</sup> April 2022

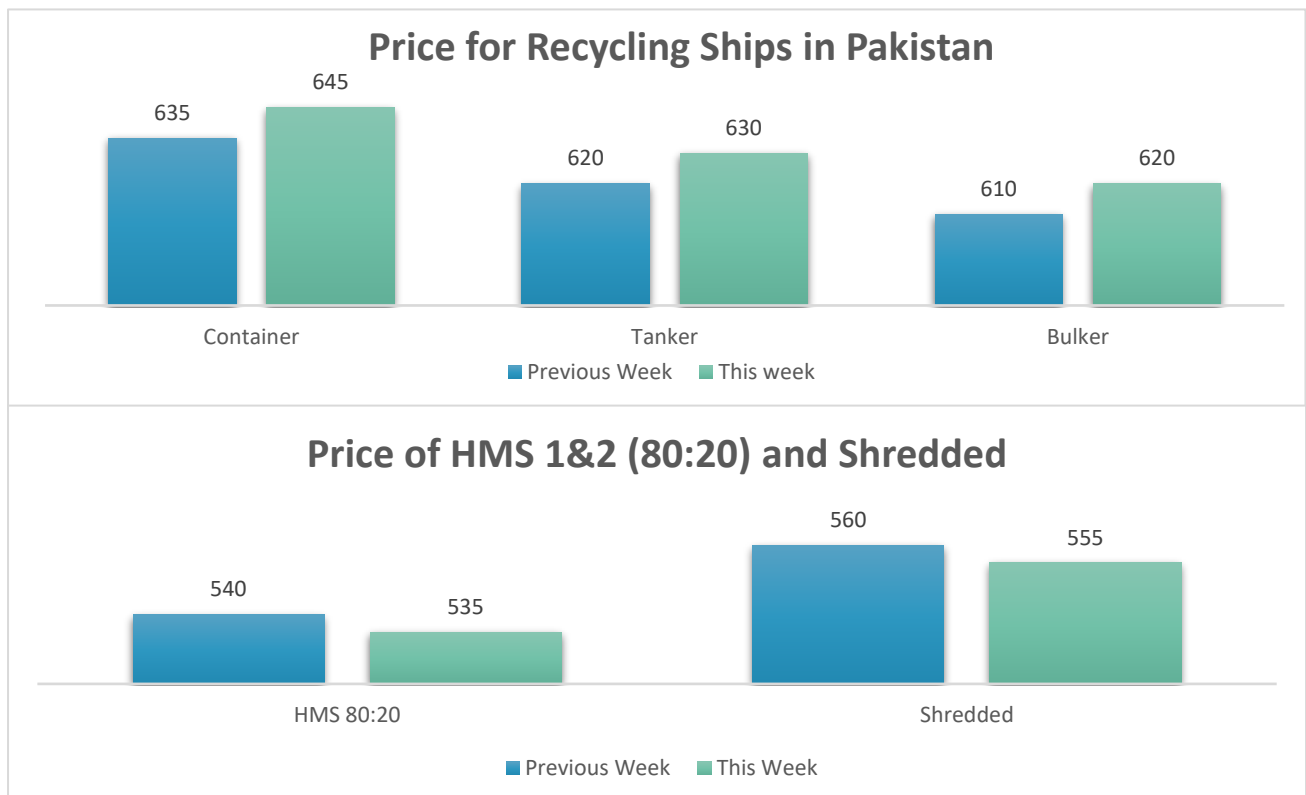


## Rise in price of Ship Plates

The prices being offered from end buyers remain stable even when the overall sentiment is not very positive due to weak demand for steel in the domestic market. Many recyclers are in a wait-and-watch mode and refrain from offering at current levels since they find them to be elevated.

The prices of Ship plates have increased by USD 10/MT in the domestic market this week.

The US federal authorities have fined the National Bank of Pakistan (NBP), more than USD 55 Million for anti-money laundering violations and for repeated compliance failures which might prove to be huge setback for the economy. This move has increased Pakistan's chances of getting blacklisted in Financial Action Task Force (FATF). This news coming just after the Prime Minister's meeting with Russian President in Moscow may be more than a coincidence.



## Beaching Dates:

Throughout the month



# TURKEY

## Stable market conditions

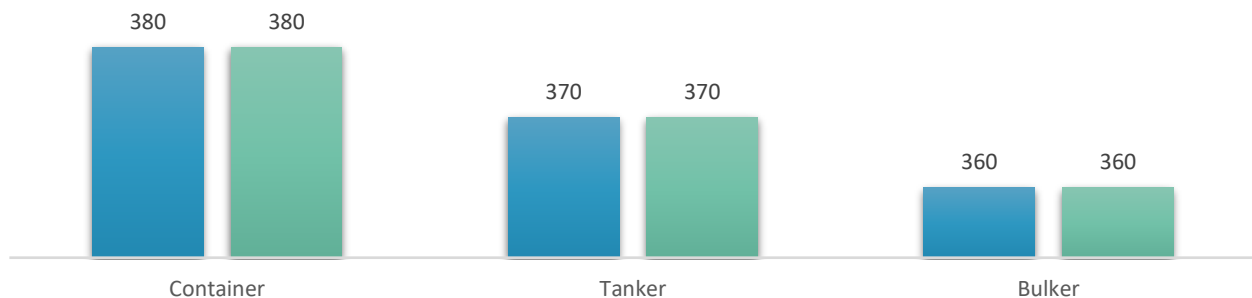
Turkey, situated at the cusp of Europe and Asia, is the largest scrap importer in the world and for Russia, its largest scrap buyer. If supply disruptions emerge from Russia, prices of scrap and metalics will spiral northward which would lead to higher steel prices.

The flat steel market slowed this week due to uncertainty regarding the direction of prices.

Lira plummeted more than 5% on Thursday as investors sought safe havens after Russian forces invaded Ukraine, sparking concerns of fresh inflationary pressure in Turkey. It is currently trading at TL 13.85/USD.

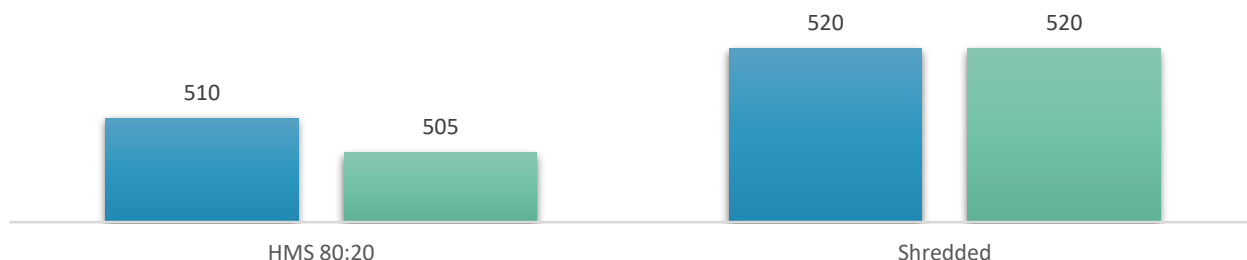
### Price for Recycling Ships in Turkey

■ Previous Week ■ This week



### Price of HMS 80:20 & Shredded

■ Previous Week ■ This Week



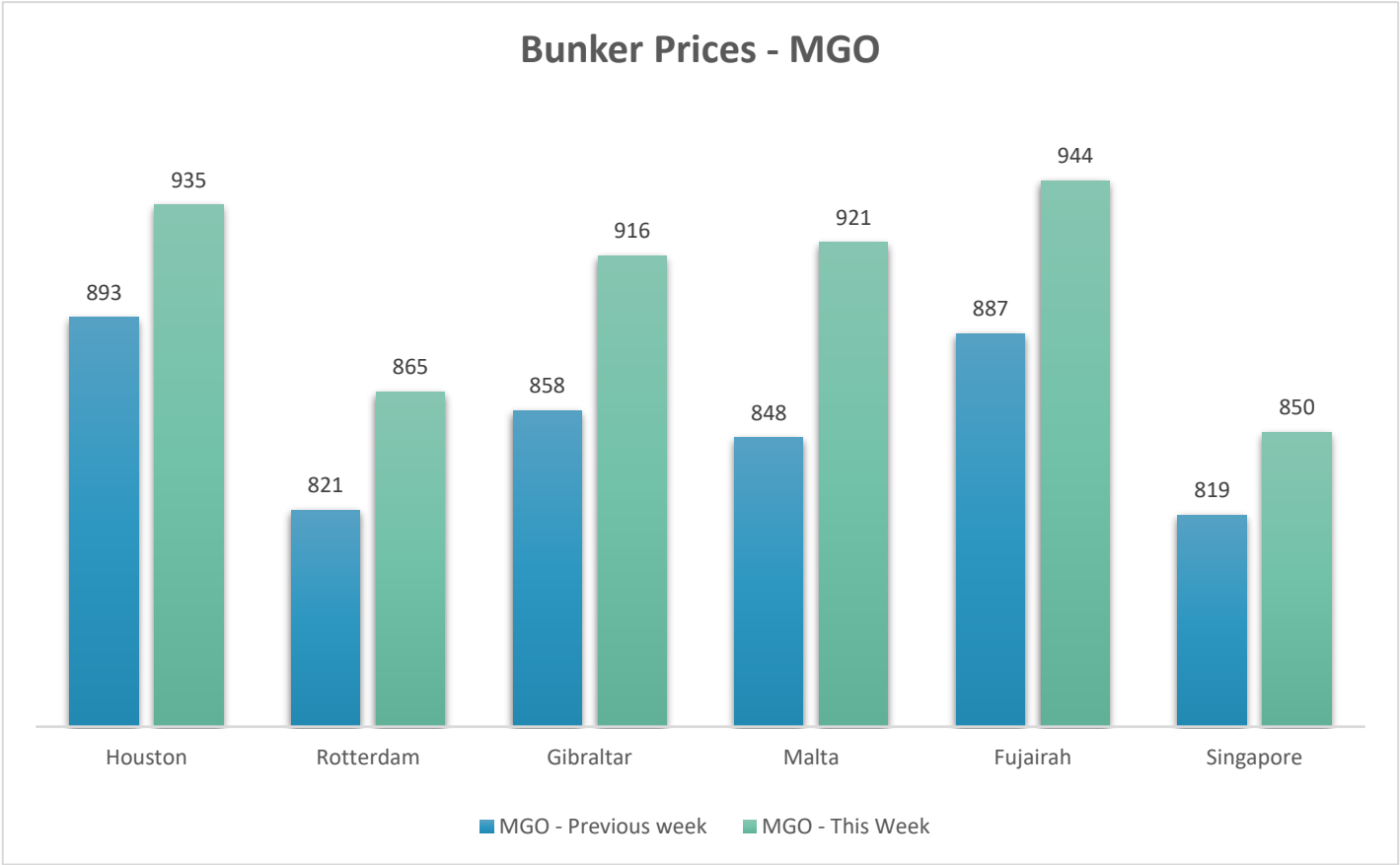
## Beaching Dates:

Throughout the month

# LIST OF VESSELS SOLD THIS WEEK

Vessel Name	Type of Vessel	Year of Build	Country of Build	LDT	Term of Sale	Location of Delivery	Sale Price/LDT (USD)
ALAM CETUS	BULKER	2003	JAPAN	23,982.00	AS-IS	BATAM/ MANILA	640.00
OCEAN FORCE	RO-RO	1983	GERMANY	2,528.54	AS-IS	DELAWARE	197.74
PIRI REIS UNIVERSITESI	NAVY TRAINING SHIP	1983	POLAND	6,615.00	AS-IS	ISTANBUL	488.00

# BUNKER PRICES AT PORT



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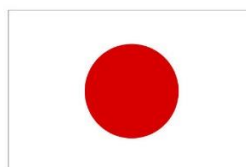
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