GMS WEEKLY

Your Source for Recycling News

January 26th, 2024
Volume 257, Issue 1119
Week 4

Highlights:

- **Gaining momentum.**
- **Supply sluggish.**
- **Chartering boon.**
- **Norway invests.**
- **Standards rise.**
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QUOTE of the WEEK

"If you don't fall, how are you going to know what getting up is like?"

– Steph Curry

MARKET COMMENTARY

LOOKING UP?

Ongoing geopolitical events and the recently unfolding conflict in the Middle East have certainly managed to keep global trading lanes busier and the freight markets unseasonably high, all at a time when many had been expecting the Dry Bulk & Container sectors to cool off as the industry approaches the traditionally quieter Chinese New Year holidays early next month.

Moreover, as ship recycling sentiments & vessel prices started to inch up in both Pakistan & Bangladesh over the last several weeks, sub-continent recycling markets finally seemed poised to be gathering some much-needed steam. Unfortunately for both destinations, apart from the steady stream of HKC only MSC containers that have been committed (4 in 4 weeks in 2024 thus far) to a limited number of pre-approved Alang yards, the ever-persistent hope for an increase in the supply of tonnage has yet to manifest itself in the ship recycling world.

Meanwhile, pursuant to Bangladesh officially ratifying the Hong Kong Convention last year, reportedly this week, further news emanated via the announcement that the Norwegian Government is pledging US$ 1.364 million, in order to further help upgrade and transform Bangladeshi ship recycling yards into environmentally friendly recycling facilities that are increasingly operating in line with the requirements of the HKC. As such, in addition to the investments and commitments already made by the government of Japan and the Japanese Shipowner's Association (JSA) towards the upgrade of ship recycling facilities in Bangladesh last year, this week's announcement is further good news to a market that has, of late, been increasingly reaching for better and more sustainable standards for the end of life needs of the global fleet.

Overall, in the absence of any meaningful tonnage, Indian sub-continent ship recycling markets are trudging on week after week and this week remained no different, with local steel plate prices barely moving and currencies that relatively unchanged - it certainly was a modestly quiet week in the sub-continent recycling markets. Finally, Turkey remains stranded and invisible in the far West, with no movement in steel plate prices and / or local activity, all while the Lira remains unable to find solid footing against the U.S. Dollar and continues to slip every week and without fail.

For week 4 of 2024, GMS demo rankings / pricing for the week are as below.

Rank	Location	Sentiment	Dry Bulk USD / LDT	Tankers USD / LDT	Containers USD / LDT
1	Bangladesh*	Improving	510 / LDT	530 / LDT	550 / LDT
2	Pakistan*	Improving	500 / LDT	520 / LDT	540 / LDT
3	India	Weak	480 / LDT	500 / LDT	520 / LDT
4	Turkey	Weak	340 / LDT	350 / LDT	360 / LDT

Subject L/C approval

BANGLADESH

PROGRESSING POSITIVELY!

Back to form.

After a painful 6 months that was the international ship recycling sector towards the end of 2023, this week, the Bangladeshi market seemed to slowly (and finally) come back into the picture, with some of the best levels on offer and from an increasing number of Chattogram Choppers who only recently (and mercifully) have received L/C approvals from their respective banks.

Norway invests.

Moreover, after the recent and highly anticipated election victory of the nations' ruling party, it appears that a greater confidence to acquire is now returning to this market, one that was only further boosted by the recent announcement by the Government of Norway, whereby, US$ 1.364 million has been pledged in conjunction with the IMO, in order to jointly implement a project titled 'Safe and Environmentally Sound Ship Recycling Project' (SENSREC) Phase III, which is designed to further assist Bangladeshi ship recycling yards to upgrade their facilities, in line with the requirements of the HKC and as such, things finally seem to be progressing in a rightfully positive direction for the Chattogram ship recycling sector once again.

Furthermore, domestic fundamentals seem to be assisting the local mindset as well, whereby, the Bangladeshi Taka ended the week only marginally firmer at BDT 190.45 against the U.S. Dollar, as local steel plate prices also reported a marginal USD 2/Ton improvement this week. Local port position too, seemed to remain busy this week as several vessels arrived the waterfront this week *(See Chattogram Port Position on Page 8)*.

Overall, Chattogram Choppers will now be hoping to secure their share of tonnage from the ongoing dwindling supply of vessels, in order to fill the remainder of locally dormant plots and get the domestic ship recycling industry on its feet once again.

NO MARKET SALES REPORTED

INDIA

LOSS MAKING LEVELS!

This week, India has been busy celebrating various holidays - including the nation's 75th Republic Day on January 26th - and the national distractions seem to be evident given that Alang Buyers's have been, and are continuing to offer, the lowest recycling levels of all the sub-continent ship recycling destinations.

75th Republic Day.

Indeed, Alang Buyers have been constantly complaining about having to pay loss-making levels just to be able to secure any meaningful tonnage of late, and this type of business model is certainly not sustainable in keeping India's ship recycling sector performing without hiccups in the long run.

Need to pay up.

Moreover, the supply of vessels has also been so low that local Buyers do need to pay firmer levels, just to keep their respective yards active and utilise their financing / credit lines – especially with recent overall positive movements being reported in international steel prices and competing Pakistan and Bangladesh markets pushing further on this week.

Notwithstanding, the much-needed silver linings for the Alang market have not only been the financial stability / ability of local Buyers to establish prompt L/Cs and take deliveries of vessels, but the ongoing number of 'Alang only' HKC sales that also continue to steal the limelight and subsequently keep domestic yards busy.

Evidence of this is also evident via the number of fresh arrivals at the Alang's waterfront, this week alone.

Finally, local fundamentals displayed an unusual degree of unified stability this week as both local steel plate prices and the Indian Rupee ended the week nearly unchanged since their respective closing levels from last week.

NO MARKET SALES REPORTED

PAKISTAN

ROCK AND A HARD PLACE!

Firm footing.

Of late, Pakistani recyclers have witnessed L/C issuing banks ease up on previously imposed restrictions that permitted them to establish workable instruments and as such, an increasing number of Gadani Recyclers are finally able to get their financing in place, which is further bring the Pakistani market, back to the international bidding tables.

This has subsequently led to a rising demand and firming vessel prices from Gadani Recyclers over the course of the last few weeks.

Second best.

Notwithstanding, despite starting the year on a firm footing and an increasing number of enquiries emerging from hungry and eager Gadani Recyclers, Pakistan's ship recycling sector continues to struggle to divert any vessel(s), not only from a recently improving Bangladeshi market, but the 'Alang only' HKC recycling units being sold are only further restricting the ability of Gadani Buyers at concluding their share of units.

Finally, the only recently (yet marginally) improving Pakistani Rupee that further firmed against the U.S. Dollar to end the week at PKR 279.50, in addition to an ever-flatlining local plate price has further helped local sentiments.

Certainly, a tough position for the Pakistani ship recycling market being stuck between a rock and a hard place.

NO MARKET SALES REPORTED

TURKEY

Zzzzzz!

Unchanged import and local steel plate prices, a Lira that has been unrelentingly declining against the U.S. Dollar (passing TRY 30.30 this week), and a near-extinction in the availability of meaningful recycling tonnage has ensured that Aliaga Recyclers remain crippled without activity and away from the bidding tables, for months on end now.

Crippled.

Moreover, with the focus of attention now shifting towards the recently improving Pakistani & Bangladeshi markets where levels have been pushing higher, coupled with the tonnage-hungry driven demand that is keeping Turkish prices seemingly artificially elevated at the current highs, it is only a matter of time until we see Aliaga levels starting to re-adjust to reality.

On the sidelines.

The only silver lining for this market could come in the way of laid up offshore units in the North Sea that may now start opening up for a recycling sale as Spring comes around. Other than that, Aliaga seems destined to quiet on the sidelines.

NO MARKET SALES REPORTED

INTERESTING FACTS

- *The infrared light spectrum is invisible to the human eyes. However, Goldfish, bees, birds, and lizards have eyes that are capable of seeing ultraviolet light.*
- *Chicken has 266% more fat than 50 years back. A recent study claims, chicken has far more fats instead of proteins.*
- *Peanuts can help in making dynamite. Yes, that's hilariously true! One of the most prominent science facts is that peanuts could be of help to make dynamites. The oil extract of peanuts can be processed into glycerol. That, in turn, can be made to nitroglycerin, an important component of dynamite.*
- *You'll be fascinated to know that apples and roses are linked, as they come from the same family. The same goes for pears, cherries and apricots. They all belong to the Rosaceae family.*
- *Pure honey has an extremely long shelf life and can even last up to 3000 years without being spoiled.*
- *Do you love eating candies? Are you also into cars? Then, you'll be excited to know that Carnauba, a kind of Brazilian and Palm wax, is used to coat both gummy candies and cars.*
- *Did you know bounce berries is another name for cranberries? This is because the berries can bounce like rubber balls. The jump indicates the berry is still ripe and fresh.*
- *Here's another appealing science fact about food. Potatoes are capable of absorbing and reflecting radio wave signals.*
- *Bananas are radioactive as it contains small quantities of the isotope potassium-40. But there's no cause for concerns as for the radiation to be harmful, one would need to consume about 700 bananas a day, every day, for about 80 years!*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	**BEACHING TIDES**
January 26 – Republic Day **No Holidays in February**	January 23 – January 30 February 08 – February 15 February 23 – February 27

BANGLADESH	
BANK HOLIDAYS	**BEACHING TIDES**
February 21 – Marty's Day February 25 – Shab-e-Barat	January 27 – January 30 February 09 – February 14 February 24 – February 29

BANK HOLIDAYS		
CHINA	**PAKISTAN**	**TURKEY**
February 10 – February 16 – Spring Festival Holiday	February 05 – Kashmir Solidarity Day	**No Holidays through February**

ALANG - Port Position as of January 26, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	*Arkay AB 12 (Under Tow)*	*779*	*Dumb Barge*	*Beached January 19*
2	*AT Middle Bridge*	*3,406*	*General Cargo*	*Beached January 19*
3	Green Freezer	2,987	Reefer	Arrived January 22
4	Ice River	6,985	Reefer	Arrived January 24
5	*MSC Eagle F*	*6,878*	*Container*	*Beached January 26*
6	MSC Jemima	12,677	Container	Arrived January 24
7	**Sas 4**	**935**	**Supply**	**Arrived December 16**
8	Tomson Gas	1,990	LPG	Arrived January 26
9	Viliga	807	Fishing Vessel	Arrived January 18
Total Tonnage		**37,445**		

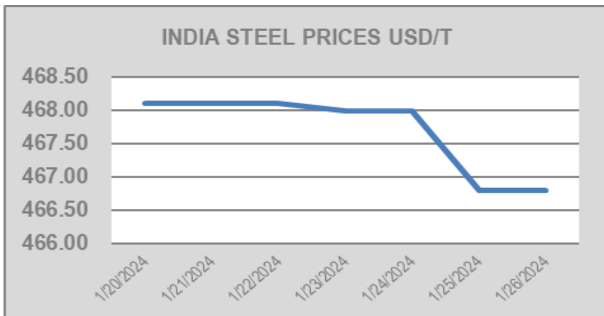
CHATTOGRAM - Port Position as of January 26, 2024

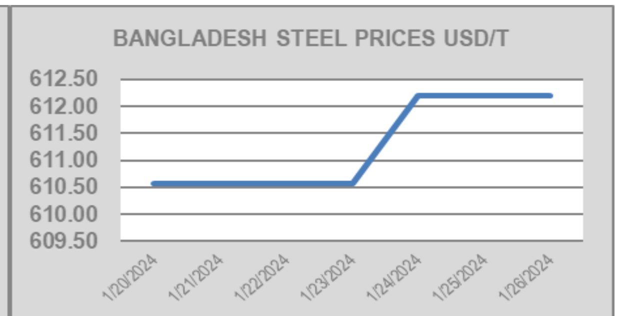
No.	VESSEL NAME	LDT	TYPE	STATUS
1	P Delta	5,256	Container	Arrived January 24
2	*Sambong 3*	*2,570*	*General Cargo*	*Beached January 26*
3	Singhpur	348	Tug	Arrived January 23
4	Song	11,247	Bulk Carrier	Arrived January 24
5	Yi Cheng 58	4,301	MPP	Arrived January 16
Total Tonnage		**23,722**		

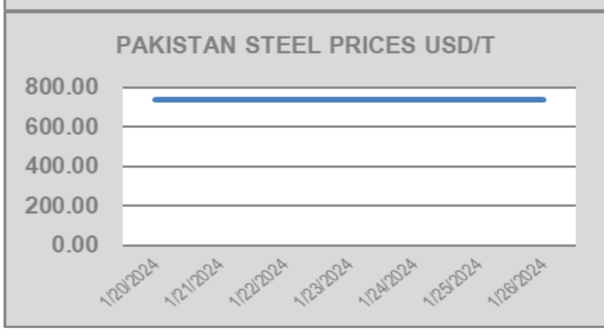
GADANI - Port Position as of January 25, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	*SSL Delhi*	*10,669*	*Containers*	*Beached January 23*
2	*Tune*	*9,986*	*Bulk Carrier*	*Beached January 25*
Total Tonnage		**20,655**		

DATE	INDIA STEEL PRICES USD/T	INDIA STEEL PRICES	PAKISTAN STEEL PRICES USD/T	PAKISTAN STEEL PRICES	BANGLADESH STEEL PRICES USD/T	BANGLADESH STEEL PRICES	CHINA STEEL PRICES USD/T
1/20/2024	468.11	38,900.00	736.28	208,000.00	610.57	75,100.00	377.46
1/21/2024	468.11	38,900.00	736.28	208,000.00	610.57	75,100.00	377.46
1/22/2024	468.11	38,900.00	736.28	208,000.00	610.57	75,100.00	377.46
1/23/2024	468.00	38,900.00	736.28	208,000.00	610.57	75,100.00	377.46
1/24/2024	468.00	38,900.00	736.28	208,000.00	612.20	75,300.00	377.46
1/25/2024	466.79	38,800.00	736.28	208,000.00	612.20	75,300.00	377.46
1/26/2024	466.79	38,800.00	736.28	208,000.00	612.20	75,300.00	377.46







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