



bestoasis

Recycling with the Best

Weekly Ship Recycling Report

03 February 2024 - 09 February 2024

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Highlights of the week

The current position of the ship recycling industry in India is unchanged from the previous weeks. The demand for vessels and scrap is very low, with a limited possibility of improvement in the next month, but the outlook is uncertain. Bangladesh is currently adopting a more vigilant stance, with recyclers awaiting a market correction before intensifying their efforts; only after the market improves will we observe the recyclers increasing their activity. In Pakistan, the general election of February 8th has resulted in a chaotic environment characterized by instability and a delaying release of the results, leading to increasing tension. Turkiye is now facing negative circumstances as the market has had a downward trend, resulting in a fall of 3-4 USD in both imports and local trade. In general, the recycling industry is now facing noteworthy hardships.

The global economy is currently facing challenges due to increased interest rates and decreased external demand. This has slowed down economic growth and created a cautious business environment worldwide. In its Q1 2024 update, GlobalData forecasts a continuation of the global economic slowdown for the third consecutive year. The projected growth rate for 2024 is 2.1%, which is slightly lower than the estimated 2.4% growth recorded in 2023. Amidst the ever-changing economic landscape, the Asia-Pacific (APAC) region is positioned to take the lead in 2024, boasting the highest growth rate. Nevertheless, the growth projection for APAC suggests a decrease compared to last year as a result of the economic challenges in China. The outlook in the Middle East and Africa (MEA) region continues to be uncertain, primarily because of the ongoing geopolitical tensions and reductions in oil production. There is expected to be a decrease in growth for the Americas region, with a projected slowdown to 1.1% in 2024 compared to the previous year's 2.2%. The European region is expected to experience a modest recovery in 2024, with the alleviation of energy supply concerns and the cost of living crisis.

Exchange Rates:

🇺🇸 USD / INR ₹

This Week : 83.03
Previous Week : 82.86
Lost : 0.67

🇺🇸 USD / BDT ₳

This Week : 109.62
Previous Week : 109.14
Lost : 0.60

🇺🇸 USD / PKR ₳

This Week : 277.19
Previous Week : 279.38
Gained : 2.19

🇺🇸 USD / TRY ₳

This Week : 30.68
Previous Week : 30.45
Lost : 0.23

India

The market has stayed similar to last week, and the outlook for correction is anticipated yet remains uncertain.

- The market has not changed since the previous week. The demand for scrap and vessels is extremely low, and the local steel market is also ailing.
- There is a potential for positive developments in late February or early March, but its probability remains uncertain.
- Indian exporters of steel and stainless steel are encountering new challenges. Until recently, local firms were exporting 10 to 15% of their yearly output. In 2023, when the Indian government implemented export tariffs on steel and stainless steel, the proportion of exports decreased to a mere 6.5%. Indian steel and stainless steel are facing declining popularity due to the imposition of export taxes, logistical challenges.

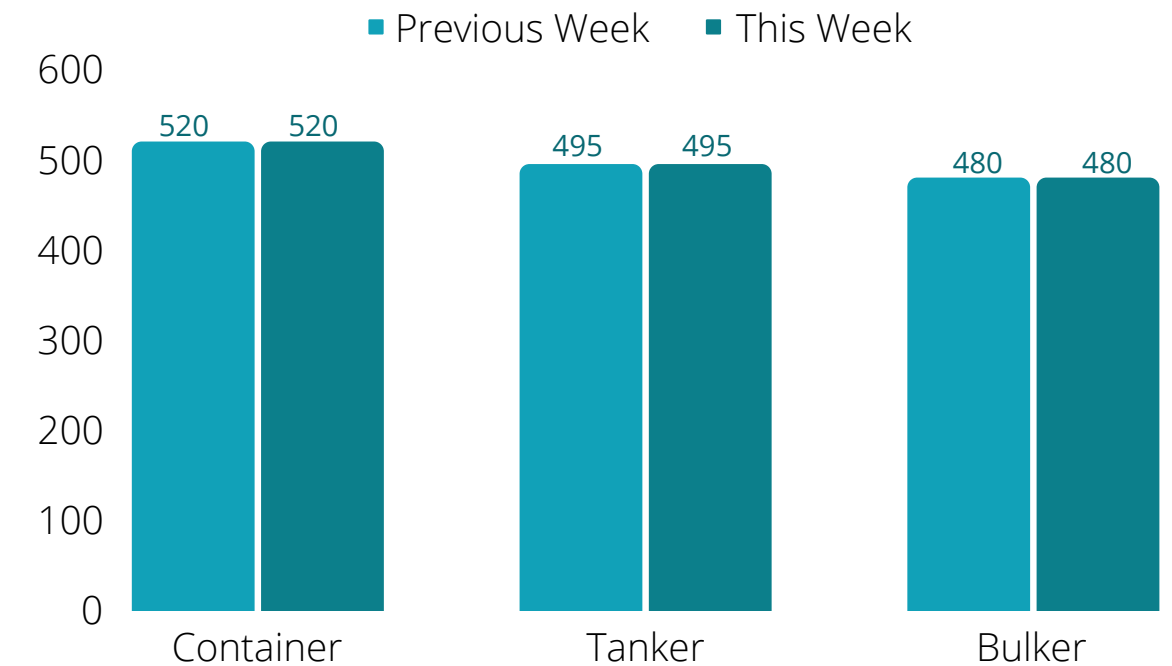
Beaching Dates

09 February to 15 February 2024

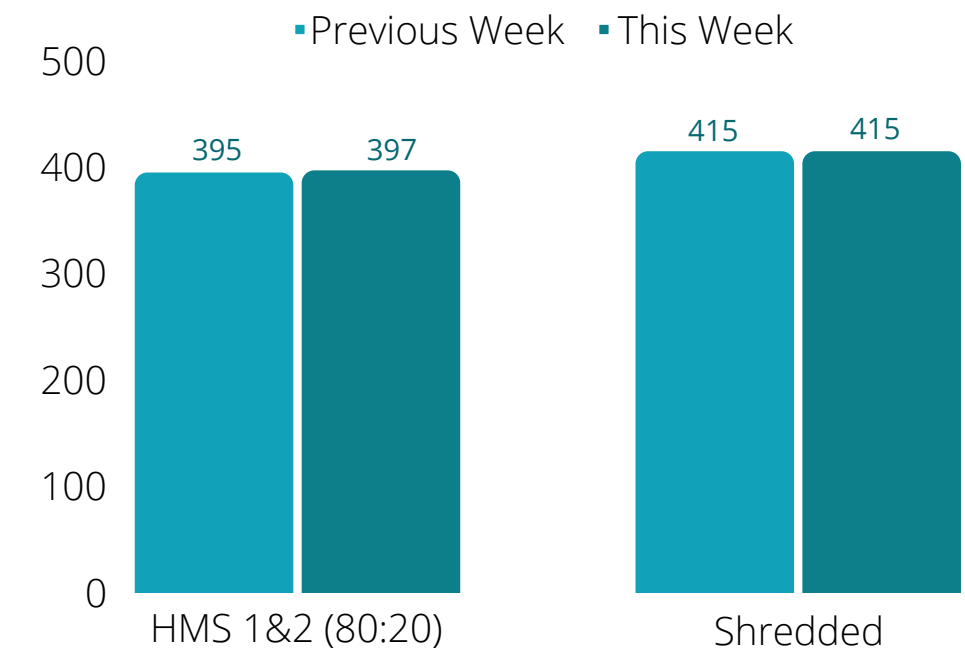
23 February to 27 February 2024

08 March to 15 March 2024

Price for Recycling Ships in India



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



Bangladesh



The market is currently in observation mode and is awaiting a correction.

- The local market remains unchanged from the previous week, and recyclers are awaiting the market to pick up; It is evident that no progress or offers are arising, and observance mode has been activated.
- When the local market improves, recyclers will be in a suitable position to buy vessels at the price expectations set by shipowners.
- At the start of the year, recyclers have access to banking facilities and are prepared to assume a risk of 5-10 USD, but very few individuals are willing to accept a risk more than that.
- The prices of all types of steel products have experienced a significant increase of Tk 5,000 to Tk 15,000 per tonne in just one week. This sudden surge in prices can be attributed to the customs department's substantial increase in the assessment value.

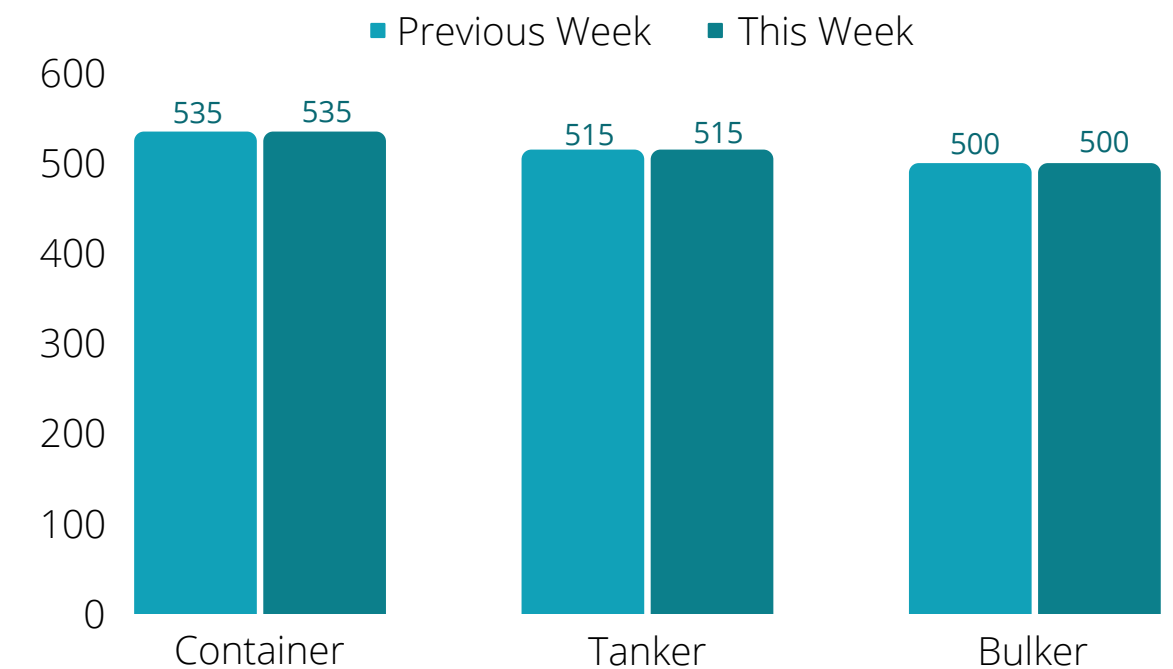
Beaching Dates

11 February to 14 February 2024

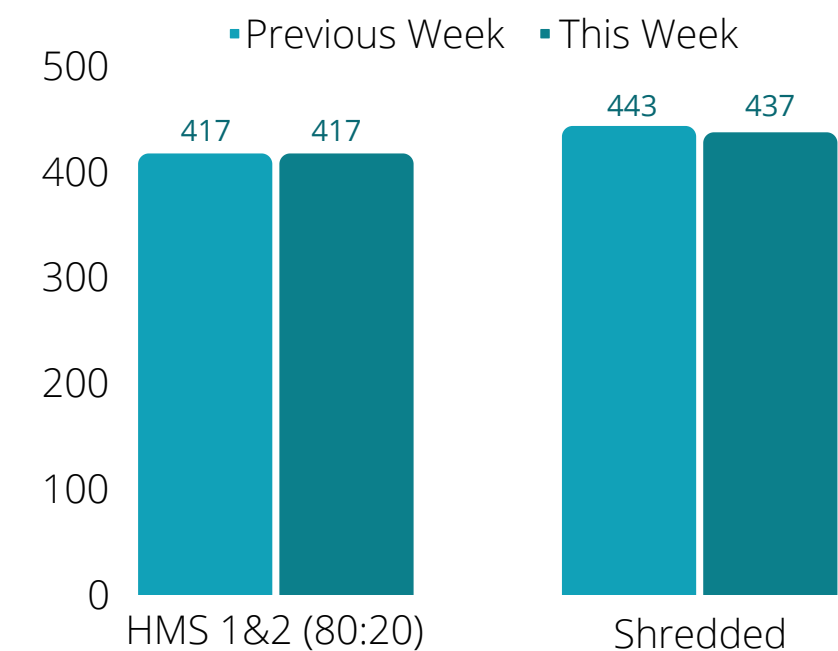
26 February to 29 February 2024

11 March to 14 March 2024

Price for Recycling Ships in Bangladesh



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



Pakistan

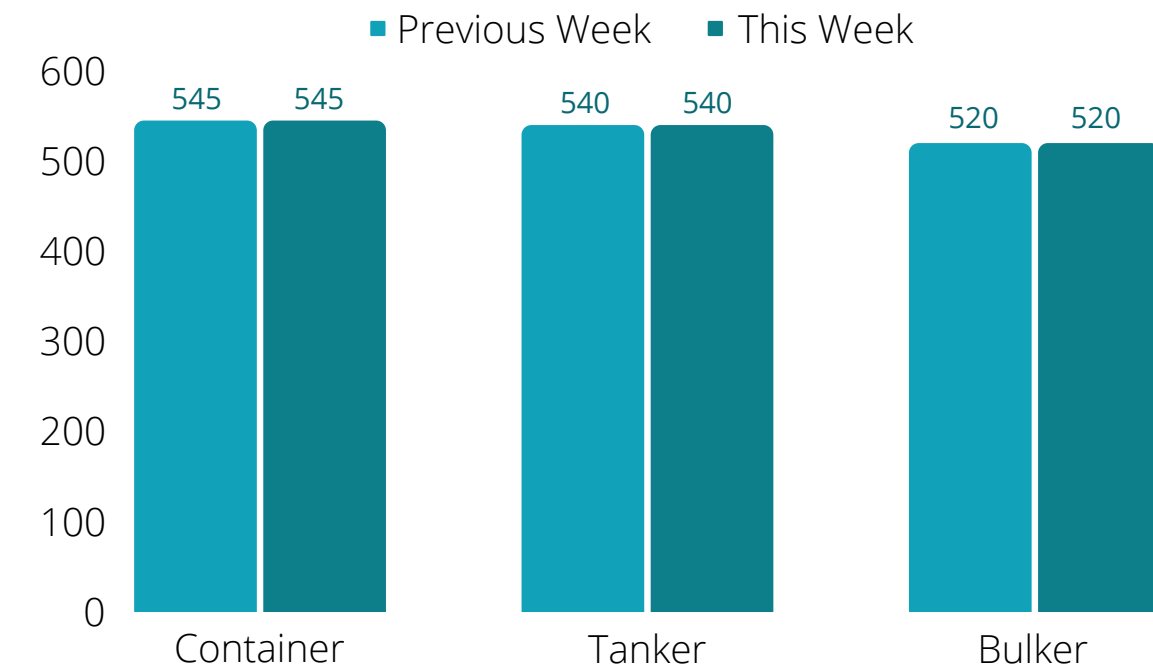
There is no activity in the market, and the economy is in a state of chaos and paranoia.

- This week, there has been a dearth of activity in the market.
- Pakistan is currently in the process of counting votes for its general election on February 8, a day that was marked by sporadic violence, allegations of corruption, and a nationwide mobile phone shutdown.
- The election results are being released at a slower pace, leading to uncertainty in predicting the outcome. This has resulted in confusion as both parties have asserted their victory, intensifying the disorder and bewilderment.
- Pakistan's freight costs have increased by 150 percent as a result of the Red Sea trade crisis, which poses a serious threat to the export of vital commodities such as textiles, grains, and fruits and vegetables.

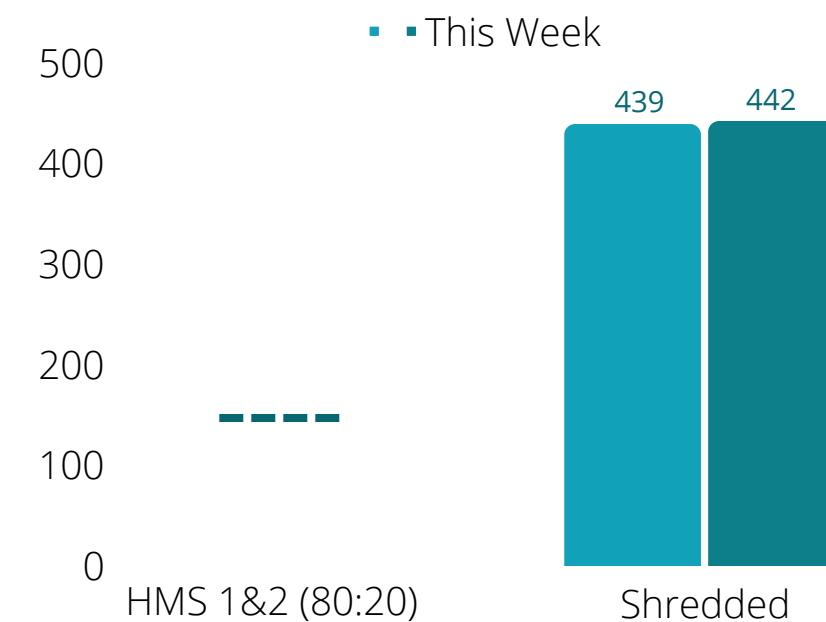
Beaching Dates

Throughout the month

Price for Recycling Ships in Pakistan



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



Türkiye

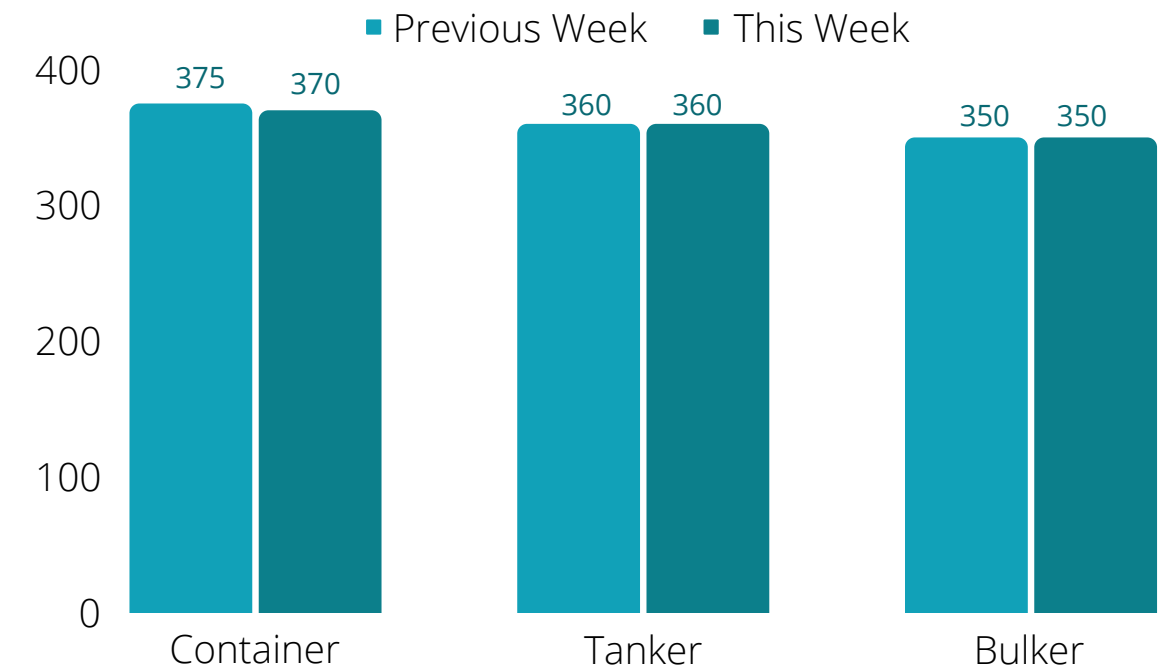
The market is in a downward trajectory, with import and domestic prices declining simultaneously.

- The market is now in a negative state. The prices are gradually decreasing by 3-4 USD in both the import and domestic sectors.
- The Turkish central bank's projections indicate that Turkish inflation had a significant increase in January, with a 6.7% spike from December. Additionally, the year-on-year inflation reached around 65%.
- The U.S. International Trade Assessment Commission (USITC) denied the request to impose further tariffs on tinned steel imported from Türkiye and removed the tariffs on tin mill steel used in food cans imported from four nations.

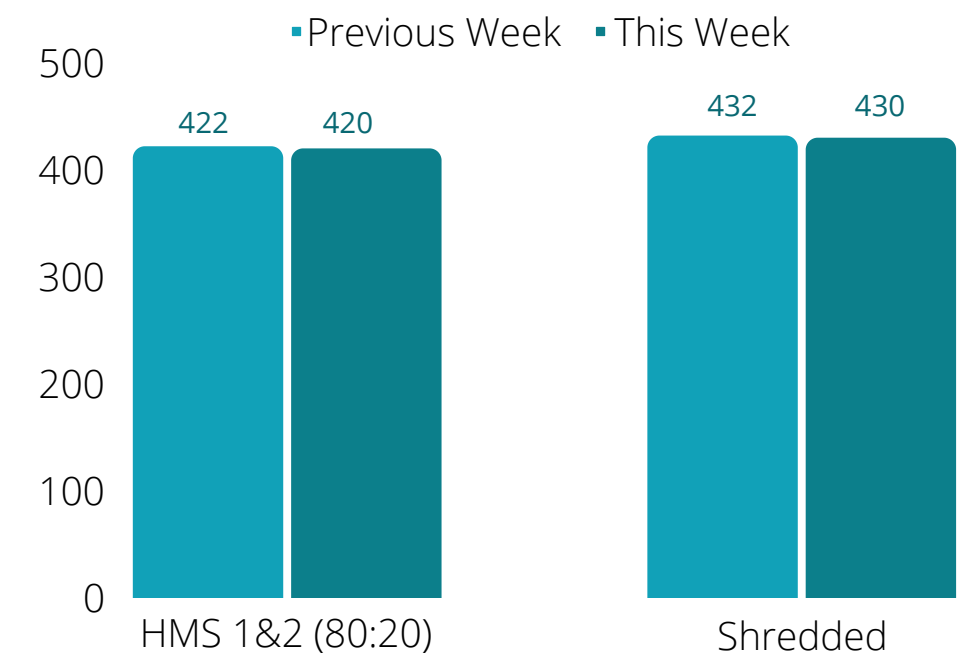
Beaching Dates

Throughout the month

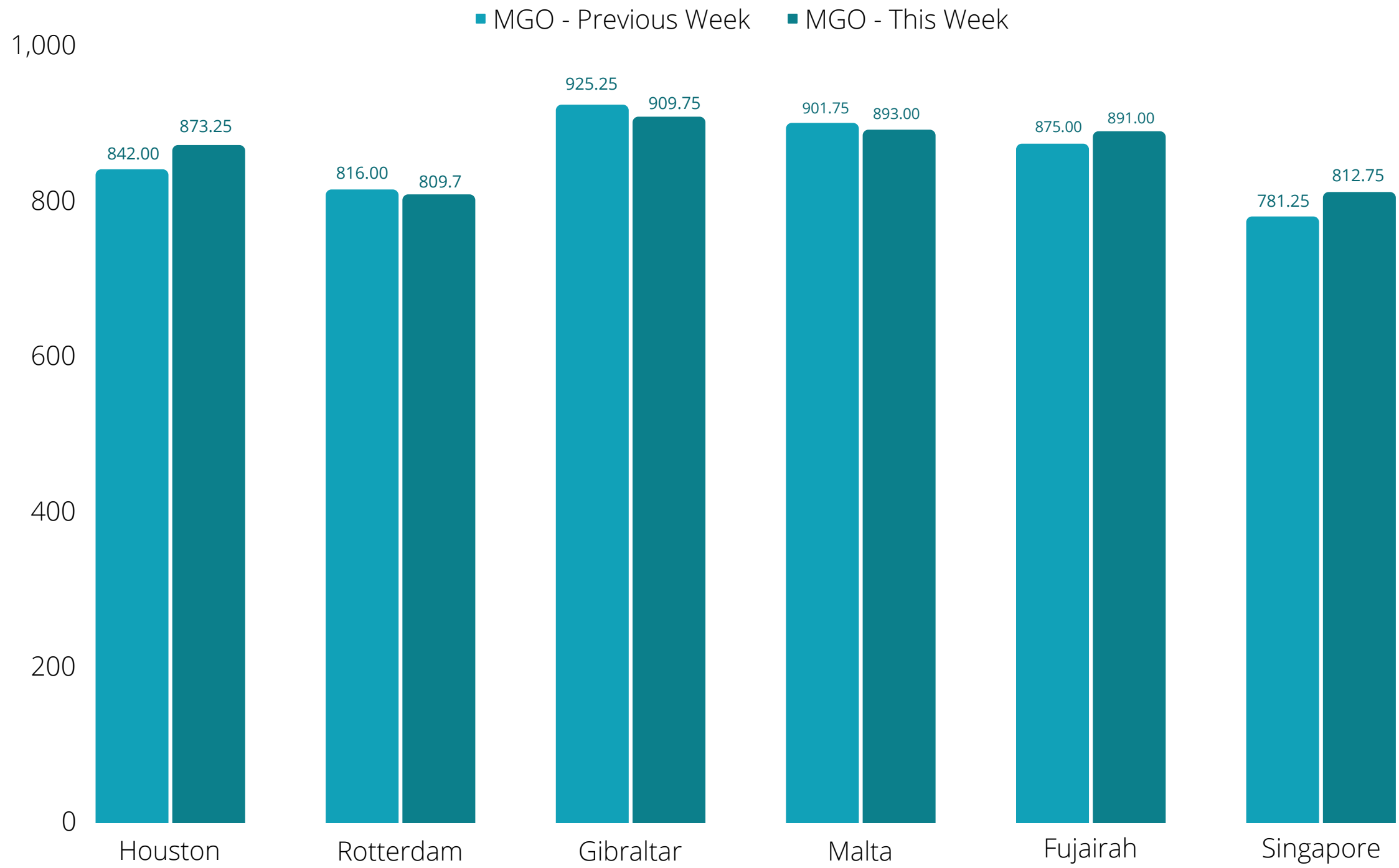
Price for Recycling Ships in Türkiye



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



Bunker Prices at Port



Brent Crude

This Week : 81.52
 Previous Week : 78.23
 Movement : + 3.29

WTI Crude

This Week : 76.20
 Previous Week : 73.30
 Movement : + 2.9

List of Vessels Sold this Week

VESSEL NAME	TYPE OF VESSEL	IMO NO.	YEAR OF BUILD	COUNTRY OF BUILD	LDT	TERM OF SALE	LOCATION OF DELIVERY	SALE PRICE/LDT (USD)
BUKHTA NAGAEVA	REEFER	8313879	1984	POLAND	2,394	DELIVERED	CHITTAGONG, BANGLADESH	UNDISCLOSED
RONG DA CHANG SHA	MPP	9150303	1998	CROATIA	9578	DELIVERED	GADANI, PAKISTAN	525
EZ FORTUNA	BULKER	9071595	1995	JAPAN	7371	DELIVERED	CHITTAGONG, BANGLADESH	UNDISCLOSED

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