



bestoasis

Recycling with the Best

Weekly Ship Recycling Report

07 September - 13 September 2024

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Highlights of the week

Ship recycling activities across all major destinations continue to struggle, with market sentiment largely negative. In India, the market has been down for months with no signs of recovery, and hopes for improvement are fading. Bangladesh faces a regressive market with daily declines, while compliance measures have become stricter. Pakistan's market remains stagnant, showing no noticeable improvements or momentum. Similarly, in Türkiye, there are no new developments in imports or local activity. Recycling volumes are primarily driven by bulk carriers, containerships, and the offshore and general cargo segments, while tankers have not reached recycling beaches for a long time, reflecting the ongoing challenges in the ship recycling market.

China's weakened steel demand is driving down global steel prices, as excess supply floods international markets. While lower prices may benefit sectors like real estate and infrastructure, they risk creating trade imbalances and pressuring domestic steel producers worldwide. With China's tight financing restrictions and no clear rebound in infrastructure projects, low prices are expected to persist, impacting global markets. The U.S. construction industry remains cautiously optimistic, though high Federal Reserve interest rates have dampened new projects and sidelined developers for over a year.

Markets are facing increasing downward pressure, with oil prices expected to weaken further. Investors are advised to reduce oil exposure as declining global demand forecasts point to continued price declines over the next six to nine months. Key organizations, including the IEA, EIA, and OPEC, have revised down their oil consumption projections for 2024 and 2025. Major banks have also lowered their Brent crude price targets, reflecting the shifting market sentiment.

Exchange Rates:

🇺🇸 USD / INR ₹

This Week : 83.91
Previous Week : 83.94
Gained : 0.03

🇺🇸 USD / BDT ₳

This Week : 119.47
Previous Week : 119.51
Gained : 0.06

🇺🇸 USD / PKR ₳

This Week : 278.22
Previous Week : 278.60
Gained : 0.38

🇺🇸 USD / TRY ₳

This Week : 33.95
Previous Week : 33.99
Gained : 0.04

India

Market struggles continue to worsen with diminishing hopes for recovery.

- The market is further down and has been struggling for quite a few months now, with no signs of improvement. Thinking of a positive outlook for the remaining months seems uncertain as hopes for a recovery continue to fade.
- The government has mandated automakers to recycle 8% of steel from vehicles starting in FY26, increasing to 18% by 2035-36. This move will strengthen the steel circular economy and boost scrap availability, acknowledging the importance of scrap steel in automobiles, with hopes that the shipbuilding sector will be included in the future. This initiative is expected to have a cascading effect, supporting carbon emission reductions in the steel industry and contributing to a sustainable future.
- Industry experts emphasize that with global seaborne trade facing heightened restrictions and countries increasingly retaining scrap for their own steel industries, it is crucial to rapidly develop domestic scrap supply chains to support India's decarbonization efforts.

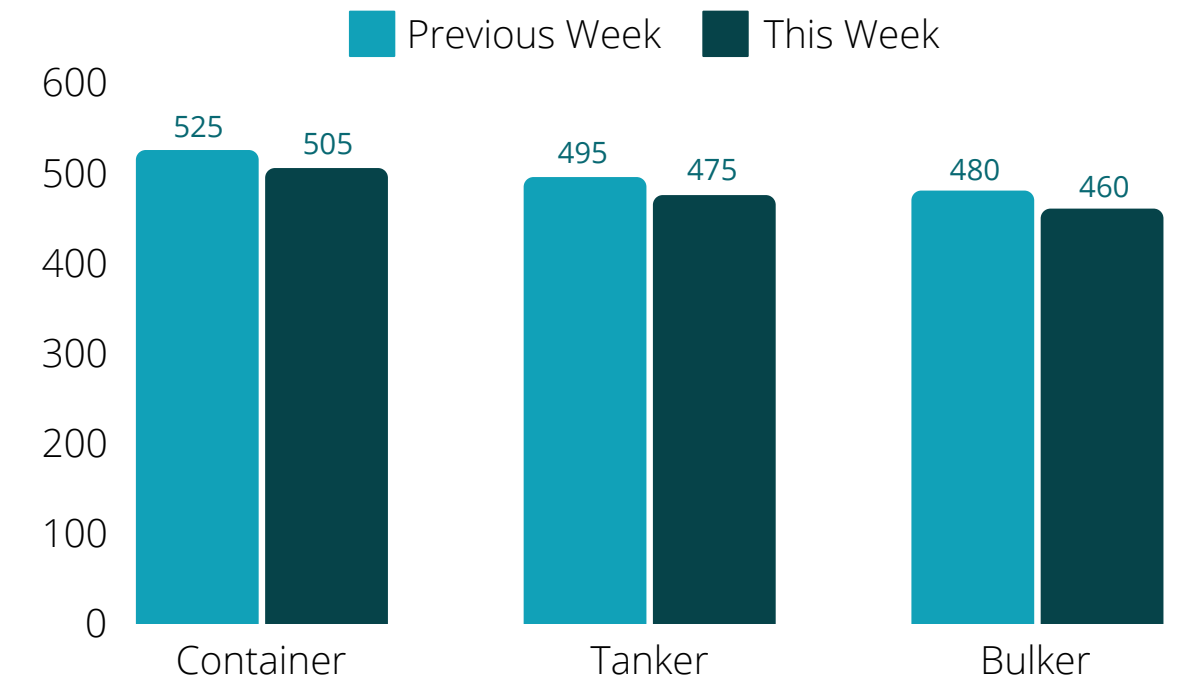
Beaching Dates

15 September to 24 September 2024

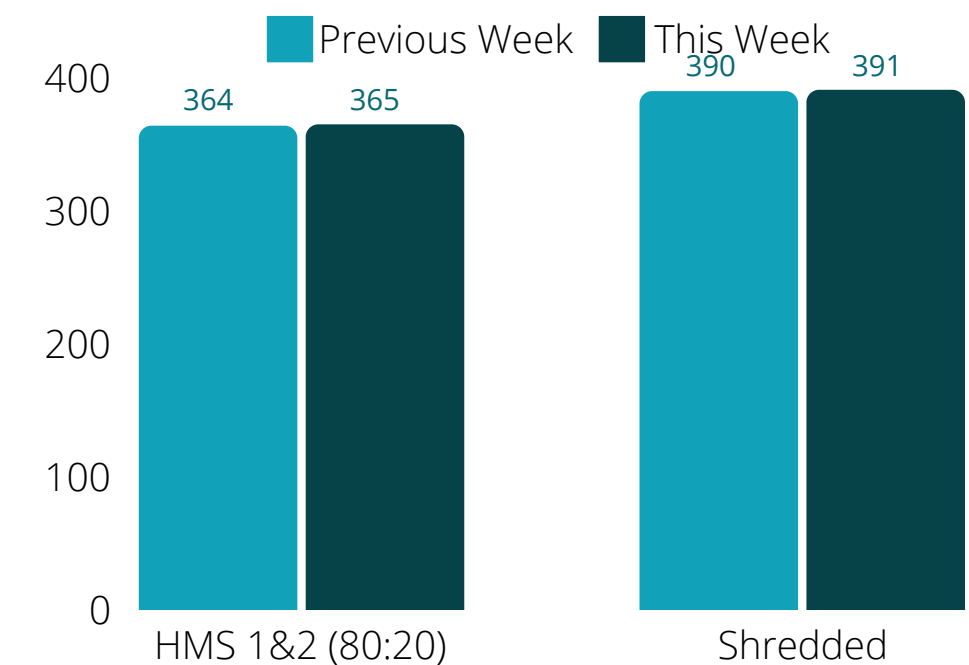
03 October to 08 October 2024

15 October to 23 October 2024

Price for Recycling Ships in India



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



Bangladesh



Market decline persists; stricter regulations lead to increased NOC denials for non-compliant yards.

- The market remains very soft, regressive, and continues to decline daily.
- As previously reported, the seller of the imported vessel will be responsible for preparing IHM 1, 2, and 3. The Ministry is becoming increasingly stringent, issuing directives that shipyards failing to comply with the SRFP will not be granted NOCs. Consequently, more yards are being denied NOCs, with the compliance deadline set for 14th.
- At least 10 banks are on the brink of bankruptcy, according to top officials from Bangladesh Bank and the central bank is working to save these banks through technical, advisory, and liquidity support, prioritizing customer interests to prevent any closures.

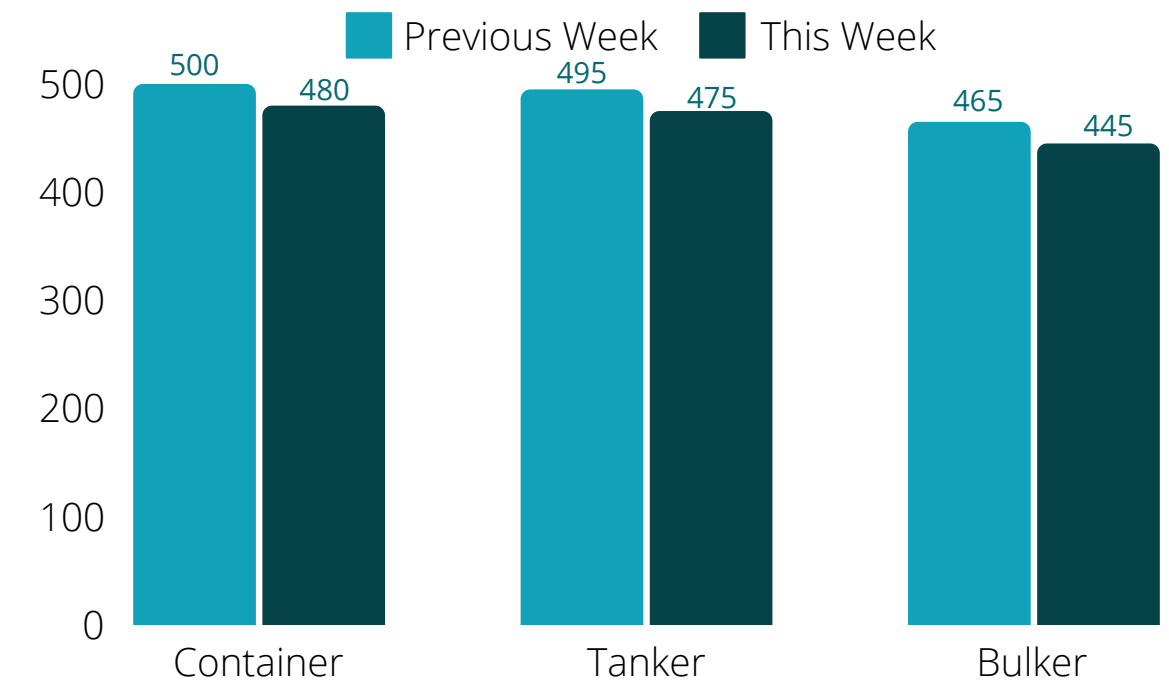
Beaching Dates

17 September to 20 September

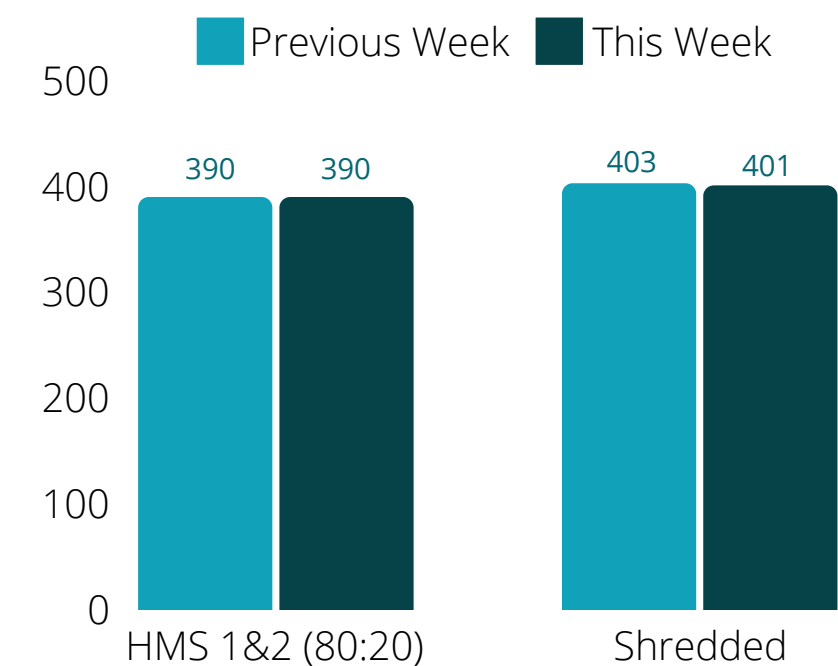
01 October to 04 October

16 October to 19 October

Price for Recycling Ships in Bangladesh



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



Pakistan



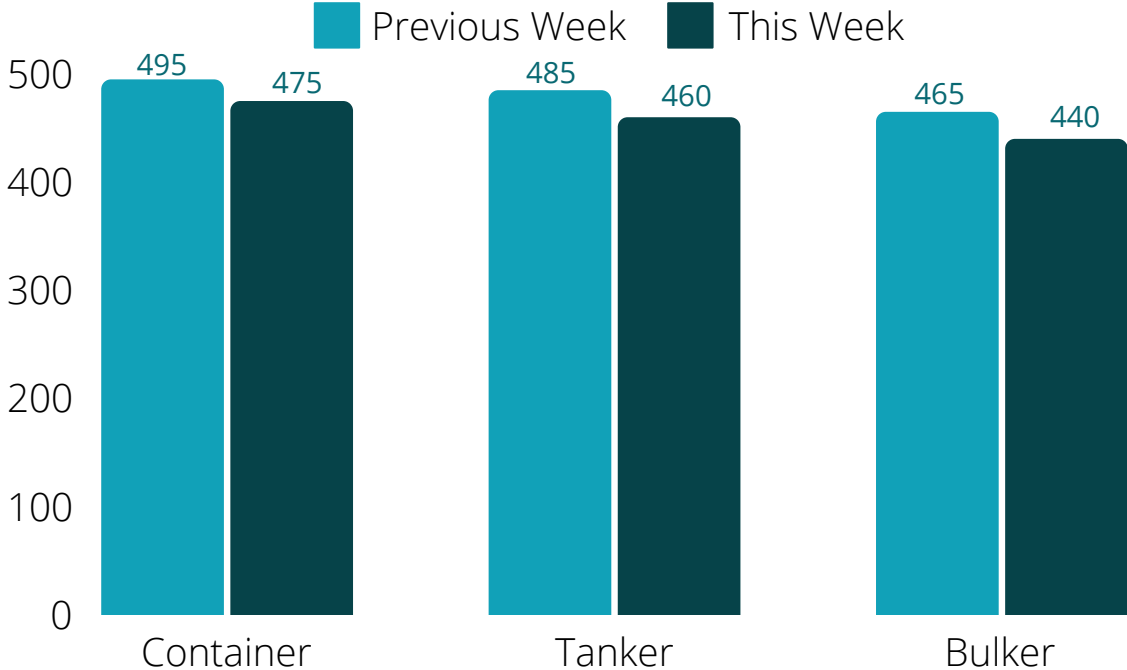
Market conditions stagnate with continued lack of momentum and improvement.

- The market conditions remain unchanged and there has been no noticeable improvement, with the market still characterized by a lack of momentum and a slow, lackluster performance similar to the previous week's trends.
- Pakistan's Central Bank reduced its key policy rate by 200 basis points, lowering it from 19.5 percent to 17.5 percent in response to calls for a significant rate cut. The impact of this decision remains to be seen.
- It is reported that the IMF's executive board will review Pakistan's USD 7 billion bailout program on September 25, easing concerns about delays in crucial funding. Pakistan reached a staff-level agreement in June 2024, but board approval for the 37-month program has been pending since then.

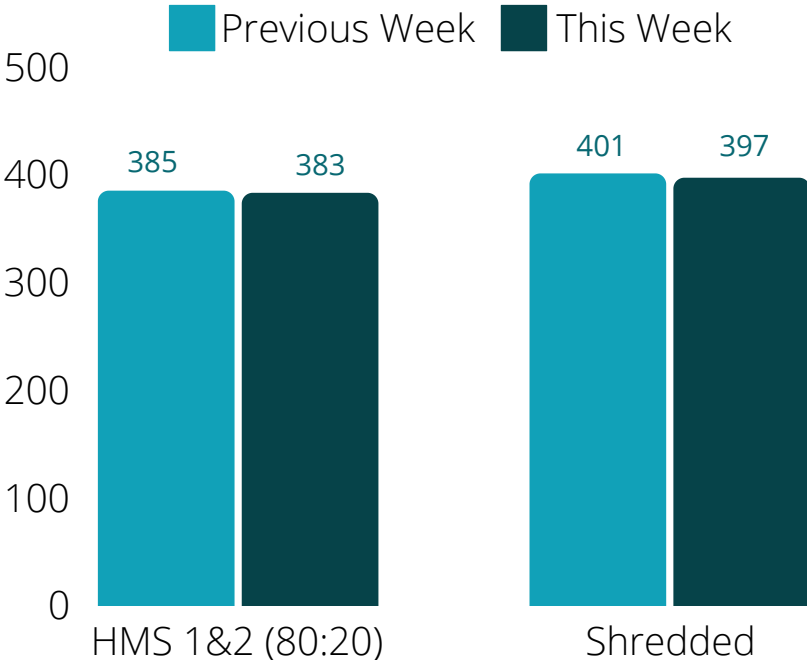
Beaching Dates

Throughout the month

Price for Recycling Ships in Pakistan



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



Türkiye

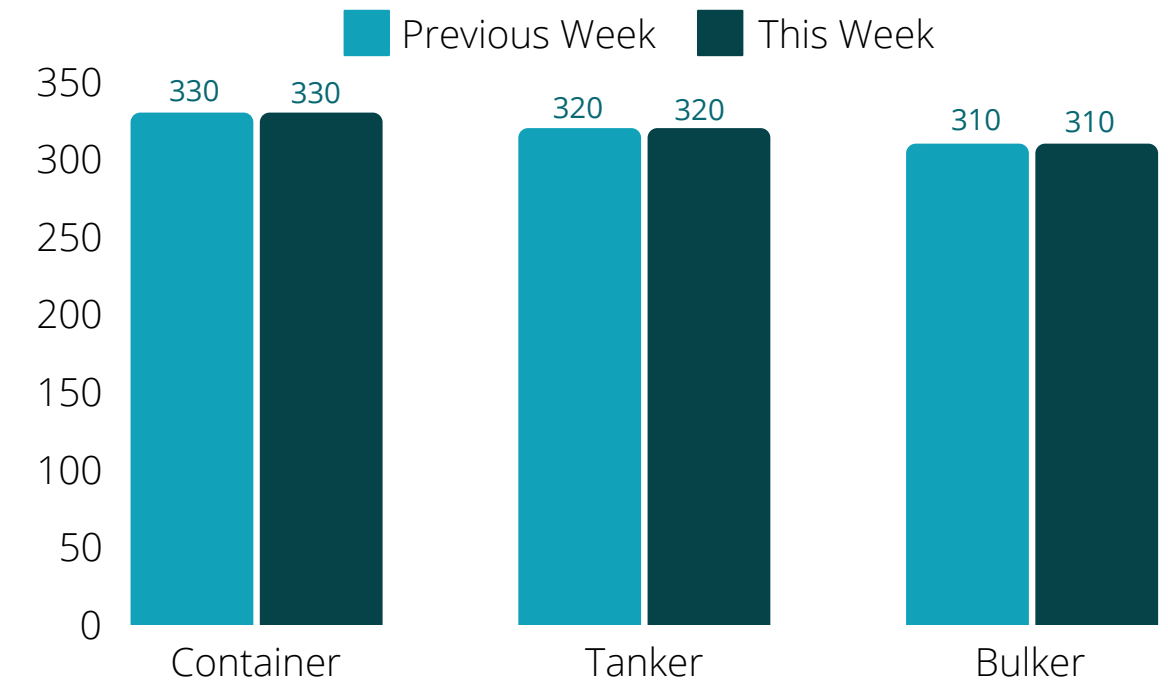
Market remains unchanged with no improvement in imports or local activity.

- The market remains unchanged from last week, showing no new developments. Last week, there was some rise in imports, but this week neither imports nor the local market showed any improvement.
- Türkiye's Long-Term Foreign Currency Issuer Default Rating (IDR) has been upgraded by Fitch Ratings to 'BB-' from 'B+', reflecting improved external reserves and a reduction in contingent foreign exchange (FX) liabilities, with a stable outlook.
- The Turkish Steel Producers Association (TCUD) urges Türkiye to introduce restrictive measures against Chinese steel imports to protect the market, as imports have surged from 396 thousand tons in 2020 to 3.3 million tons in 2023, following other countries' protective measures.

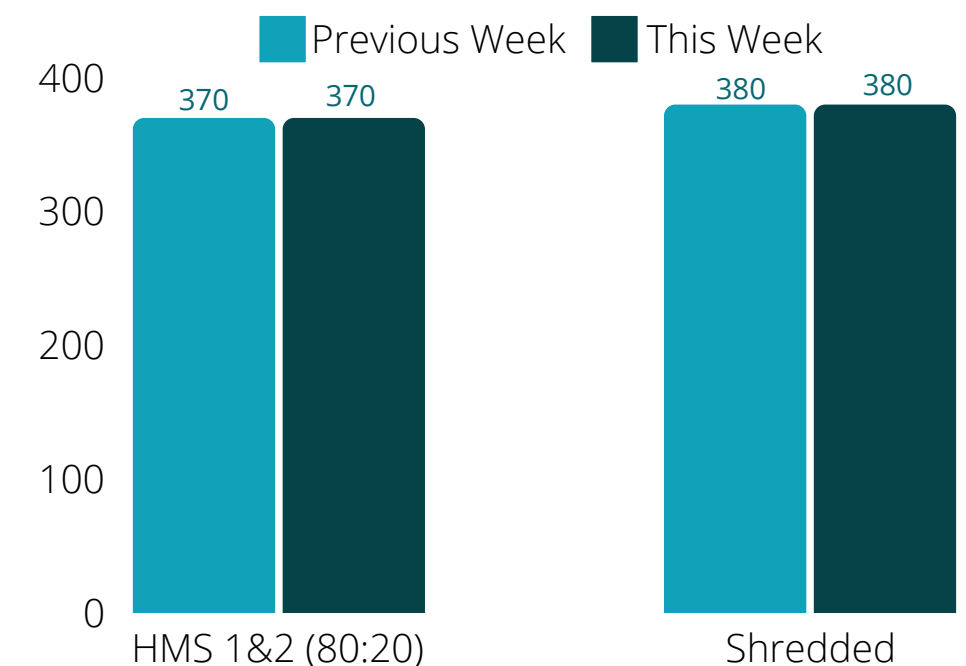
Beaching Dates

Throughout the month

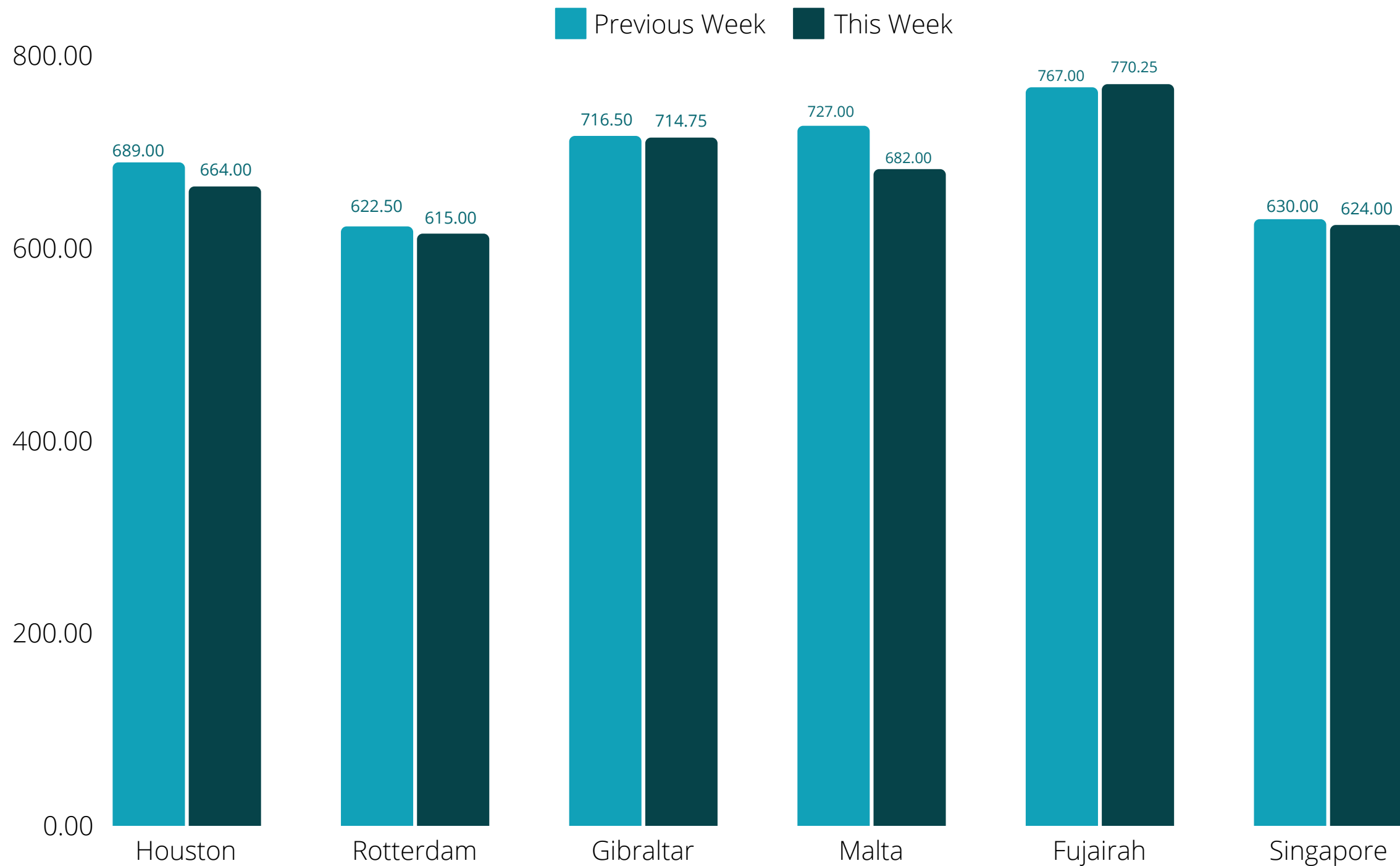
Price for Recycling Ships in Türkiye



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



Bunker Prices at Port



Brent Crude

This Week : 72.70
Previous Week : 73.08
Movement : - 0.38

WTI Crude

This Week : 69.74
Previous Week : 69.57
Movement : + 0.17

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)
ELA	BULKER	9110901	1996	CHINA	8,991	DELIVERED	ALANG, INDIA	UNDISCLOSED
PRINCESS M	GENERAL CARGO SHIP	7528556	1977	GERMANY	1,969	DELIVERED	ALIAGA, TURKIYE	UNDISCLOSED
CORAL ENERGY	LNG TANKER	7390179	1979	USA	30,194	AS-IS	LABUAN	UNDISCLOSED
AQUILA	MOTORTANKER	9692258	1999	SOUTH KOREA	8,481	AS-IS	OMAN	525

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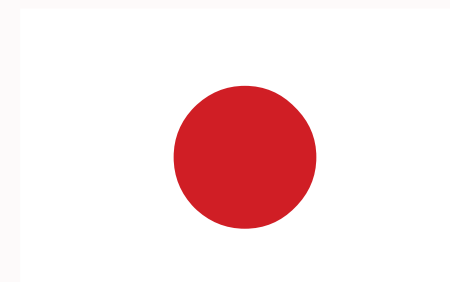


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