



bestoasis

Recycling with the Best

Weekly Ship Recycling Report

31 August - 06 September 2024

Visit : www.best-oasis.com

Email: bol@bol.ae

Head Office: 3201, Saba Tower 1, Cluster E, Jumeirah Lake Towers, Dubai, U.A.E

Contact: +971 4575 4667

Highlights of the week

This week, the ship recycling market remained largely stagnant across all key regions, with persistent challenges and minimal signs of recovery. In India, conditions continue to be hampered by the availability of cheaper imports and weak market demand, compounded by the monsoon season. In Bangladesh, the market sentiment remains subdued, characterized by inactivity and a lack of improvement. Recent discussions within the BSBRA on compliance issues, such as the responsibility for preparing the Inventory of Hazardous Materials, reflect ongoing efforts to address regulatory challenges, but tangible improvements in market activity have yet to be seen. In Pakistan, the decline in market rates is showing signs of slowing down, hinting that the bottom of the market might be near, with potential demand resurgence if prices dip slightly further. Meanwhile, Turkiye saw a slight increase in import rates, but local market sentiment remains unchanged with no notable improvement in activity or demand. Overall, the market continues to face headwinds, with any potential recovery dependent on further price adjustments and improved demand conditions across these regions.

Global steel prices are likely to decline due to weakening demand, driven by China's sluggish property sector and slowing economic momentum. Recent data shows a sharp drop in China's iron ore prices, reflecting concerns over its struggling steel industry. In the U.S., manufacturing contraction and rising inventories signal subdued factory activity, further dampening steel demand. Overall, both demand and supply challenges amid a slowing global economy suggest continued downward pressure on steel prices.

Exchange Rates:

🇺🇸 USD / INR ₹

This Week : 83.94
Previous Week : 83.84
Lost : 0.10

🇺🇸 USD / BDT ₳

This Week : 119.51
Previous Week : 119.57
Gained : 0.06

🇺🇸 USD / PKR ₨

This Week : 278.60
Previous Week : 278.49
Lost : 0.11

🇺🇸 USD / TRY ₺

This Week : 33.99
Previous Week : 34.06
Gained : 0.07

India

Market strains persist amid ongoing challenges, low demand, and disrupted activities.

- The current situation remains unchanged due to ongoing and persistent challenges, including the availability of cheaper imports, which undermine local production, and low demand in the market. The monsoon season has further worsened conditions by disrupting construction activities. This situation is expected to persist until the end of September.
- The Indian economy continues to grow robustly despite global challenges, as highlighted in the World Bank's India Development Update. The report also notes that India was the fastest-growing major economy, with an 8.2 percent growth rate in FY23/24.
- In response to rising Chinese steel imports, the government is proposing an increase in import duties from 7.5% to 10-12% to protect the domestic industry. While large producers support this move, MSMEs warn that higher duties could threaten their survival.

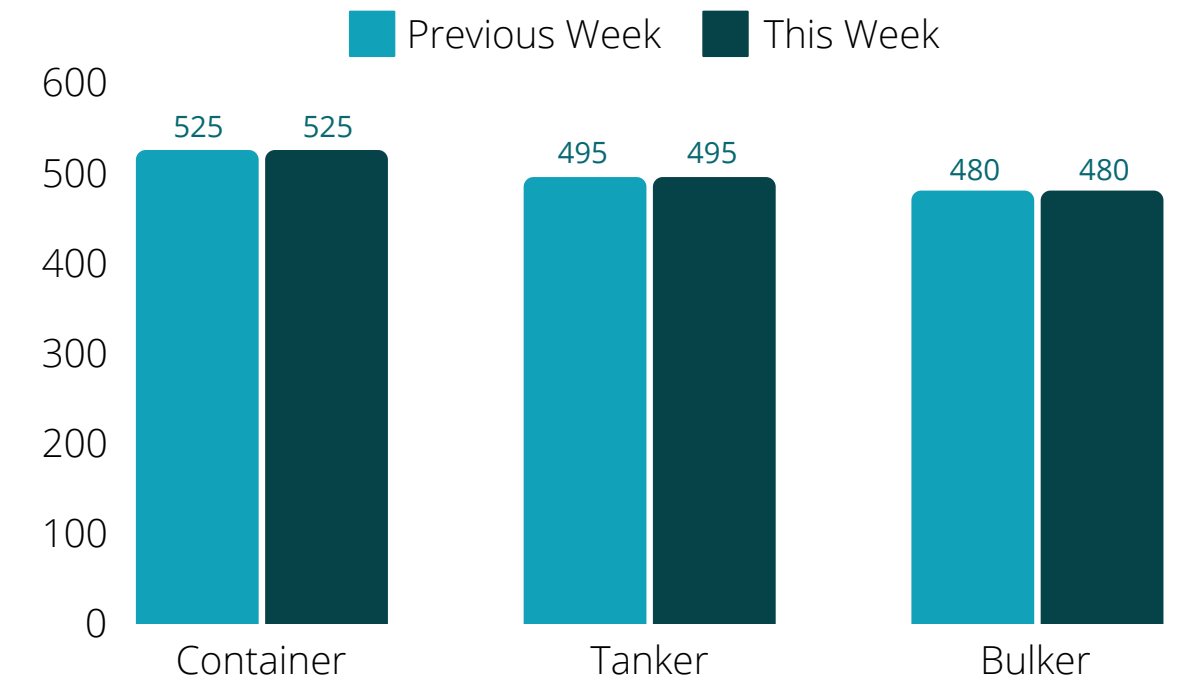
Beaching Dates

15 September to 24 September 2024

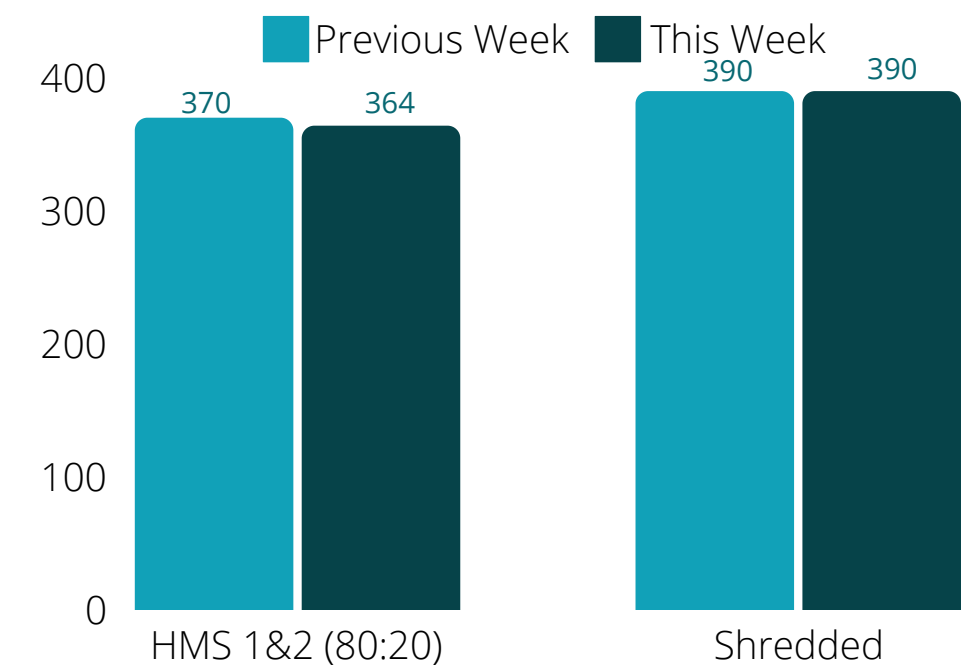
03 October to 08 October 2024

15 October to 23 October 2024

Price for Recycling Ships in India



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



Bangladesh



Market remains soft and inactive; regulatory changes and industry issues in focus.

- The market remains unchanged with similar sentiment as before—still soft, inactive, and showing no signs of improvement.
- The Bangladesh Bank has removed the LC margin on all imports, except for luxury items and locally produced goods, to boost industrial and trade activities in the country.
- The 12th Executive Committee Meeting of the Bangladesh Ship Breakers and Recyclers Association (BSBRA) discussed the Inventory of Hazardous Materials (IHM) issue. It was decided that the seller of the imported vessel will be responsible for preparing the IHM. This requirement will be included in the Memorandum of Agreement (MOA), and a copy of the IHM must be attached to the Notice for Readiness (NOR).

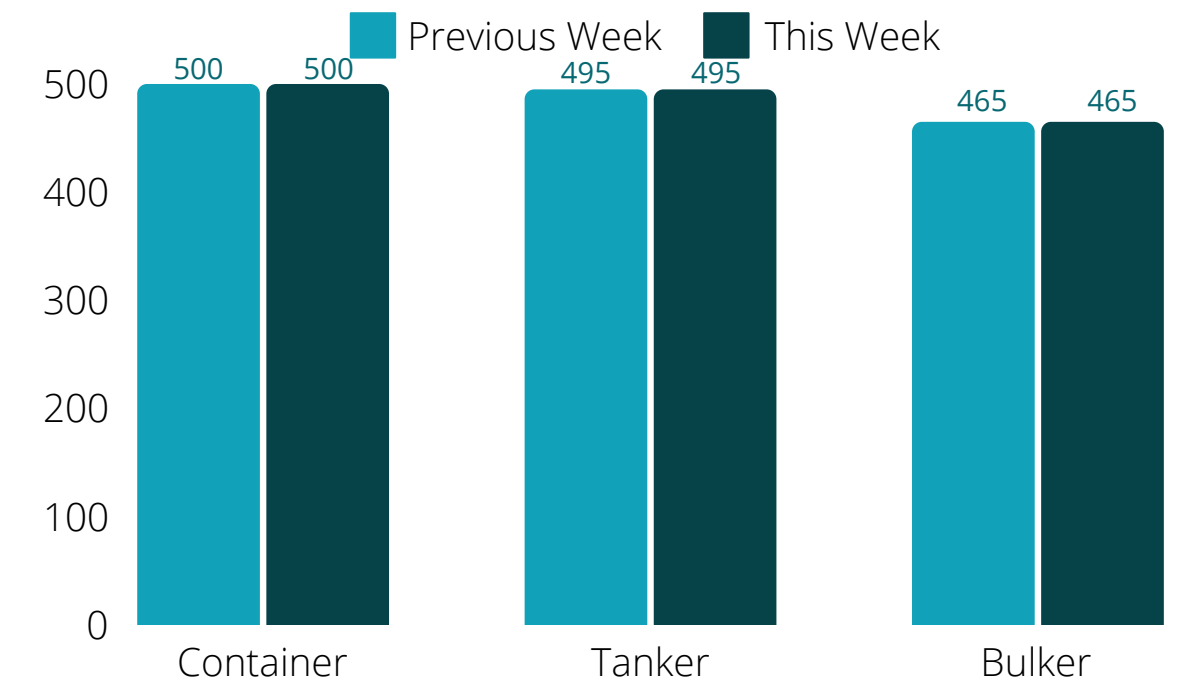
Beaching Dates

17 September to 20 September

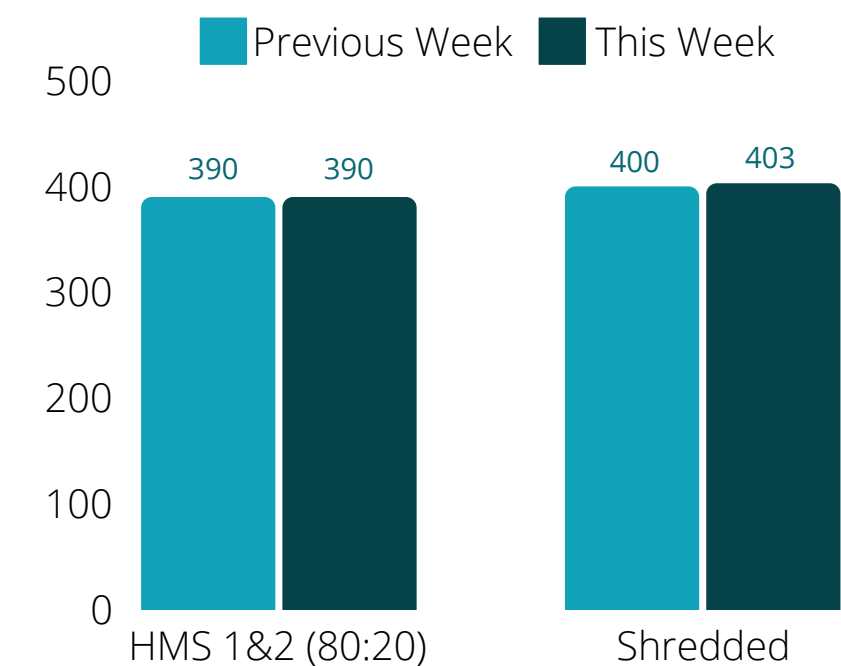
01 October to 04 October

16 October to 19 October

Price for Recycling Ships in Bangladesh



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



Pakistan



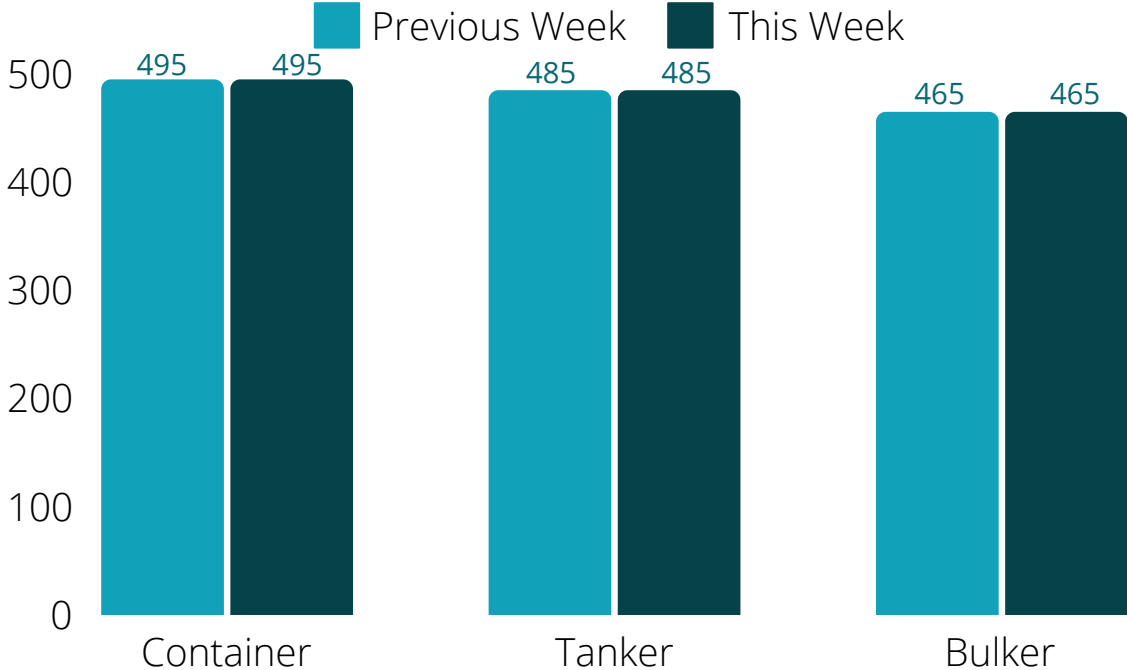
Market decline eases, but demand remains weak; further price drops could trigger revival.

- Market crash rates have begun to slow, but there is still no sign of increasing demand, suggesting that we might be reaching the bottom of the curve. If prices fall another USD 5-10, it could potentially spark renewed demand for tonnage.
- Pakistan has pledged to proceed with new taxes on the retail sector despite strike threats, aiming to meet revenue targets crucial for securing a USD 7-billion IMF loan. The taxes, introduced in the June budget, have faced public backlash but are essential to fulfill IMF conditions under the 37-month agreement.
- Pakistan's inflation eased in August to its lowest level in nearly three years, providing the central bank with room to consider further interest rate cuts.

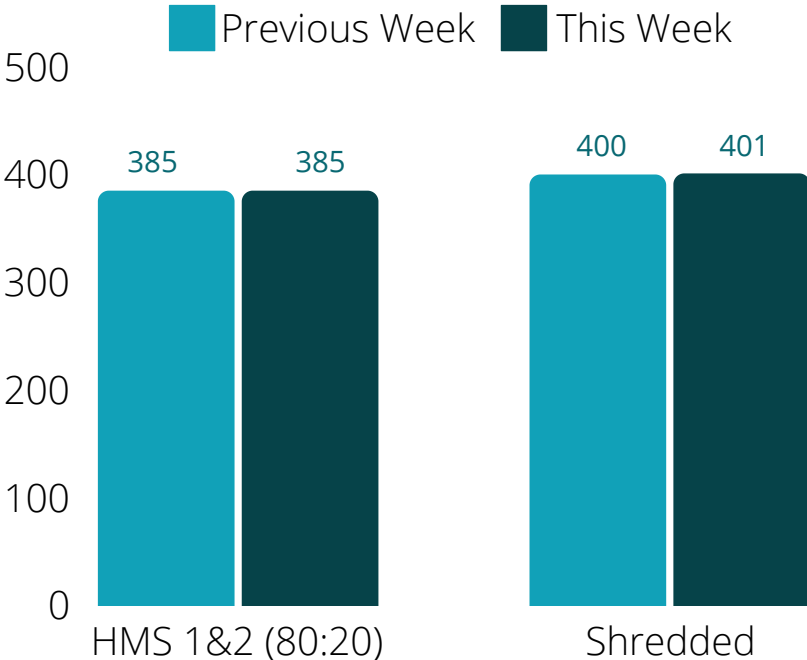
Beaching Dates

Throughout the month

Price for Recycling Ships in Pakistan



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



Türkiye

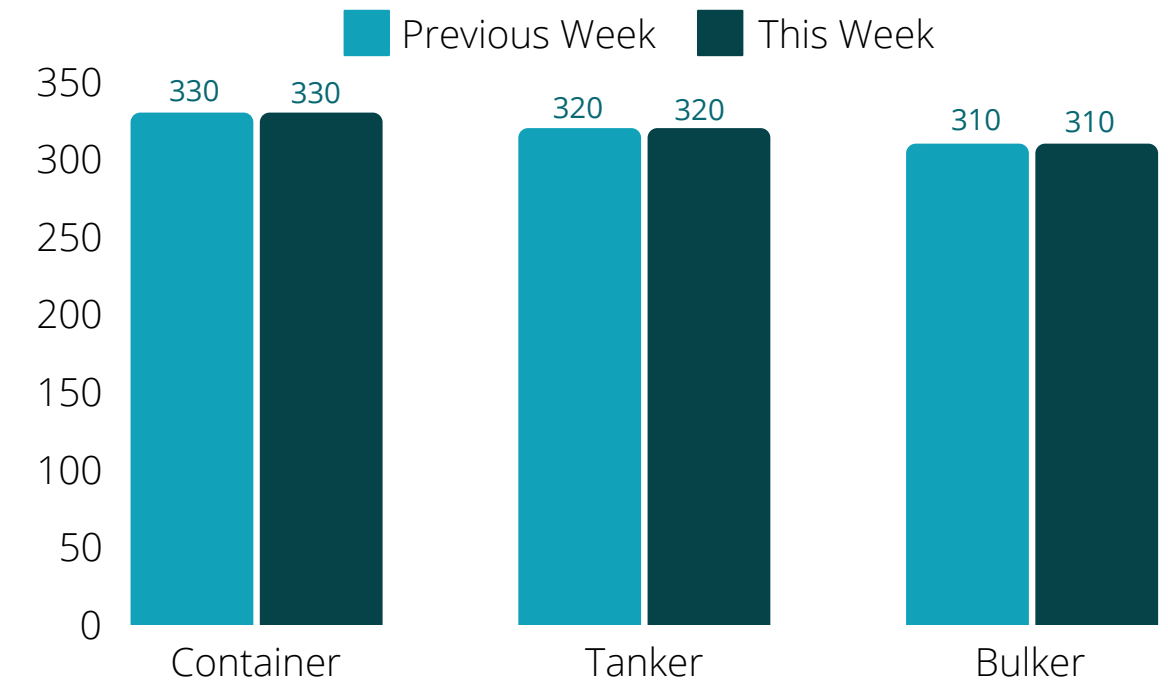
Market sentiment remains stagnant as import rates rise, with no boost in demand or activity.

- The market sees an increase in import rates by about USD 8, but local sentiment remains stagnant, showing no significant improvement in demand or market activity.
- Turkey's inflation fell to 51.97% in August from 61.78% in July, though it remains much higher than the central bank's target. Monthly inflation also slowed, and core inflation saw a similar decline. Experts suggest that ongoing tight economic policies could help bring inflation closer to single digits by 2026, but these measures may cause public dissatisfaction due to their economic impact.

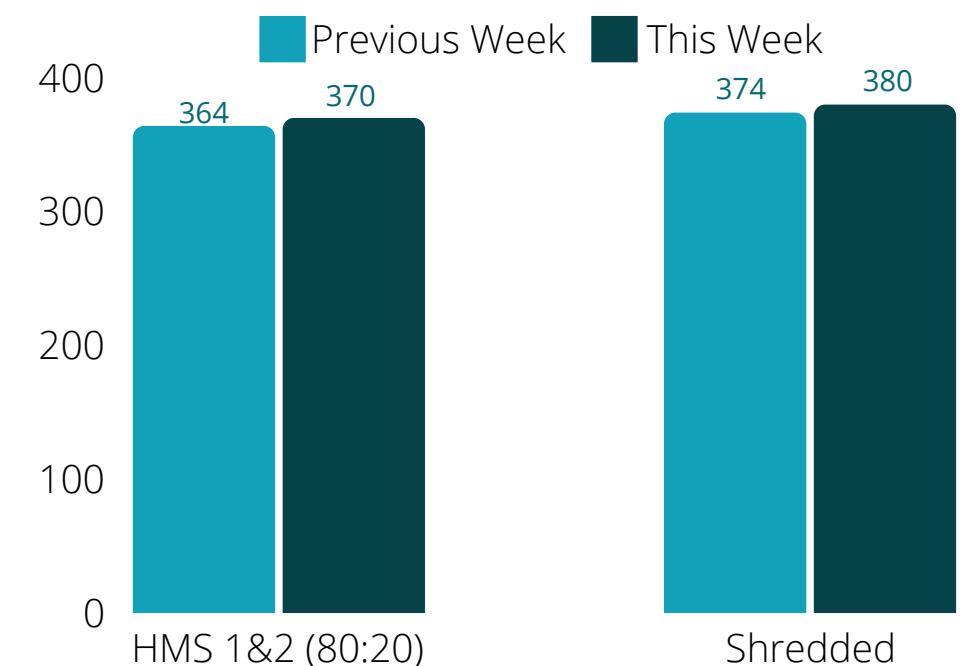
Beaching Dates

Throughout the month

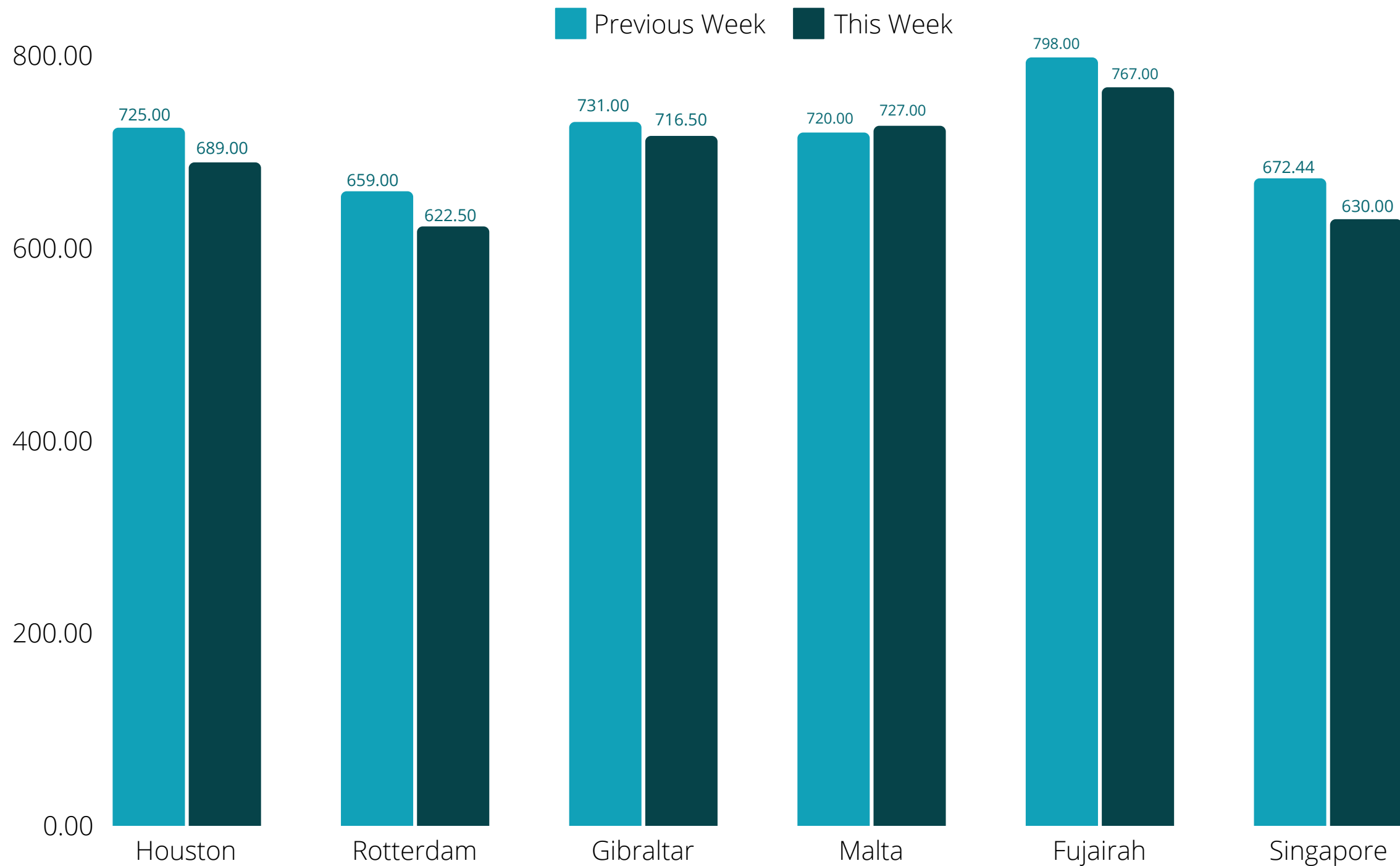
Price for Recycling Ships in Türkiye



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



Bunker Prices at Port



Brent Crude

This Week : 73.08
 Previous Week : 78.63
 Movement : - 5.55

WTI Crude

This Week : 69.57
 Previous Week : 74.06
 Movement : - 4.49

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)
PRADA	CRUDE OIL TANKER	9213301	2001	SOUTH KOREA	18,860	AS-IS	OMAN	480
GUNDOGDU 1	GENERAL CARGO SHIP	8125167	1984	TURKIYE	1,047	DELIVERED	ALIAGA, TURKIYE	UNDISCLOSED
BEREG MACHTY	REEFER	8225711	1982	GERMANY	7,263	DELIVERED	ALANG, INDIA	UNDISCLOSED
FERRY HAYATOMO NO. 2	PASSENGER	8700448	1987	JAPAN	4,190	DELIVERED	CHITTAGONG, BANGLADESH	UNDISCLOSED
DIAMOND XI	PASSENGER	7325629	1974	NORWAY	4,545	DELIVERED	ALIAGA, TURKIYE	UNDISCLOSED

Contact Us



Germany

Mr. Gerd Leopold

S&P Consultant

Phone: +49 417 188 0204

Mobile: +49 172 370 1021



Greece

Mr. Yiannis Kourkoulis

Vice President purchase

Phone: +30 210 0101 450

Mobile: +30 694 258 3977

Ms. Irimi Mylona

Commercial Executive

Phone: +30 210 0101 450

Mobile: +30 694 484 3136



South Korea

Mr. Jason K.M. Byun

Company Representative

Phone: +82 010 6282 0121



U.A.E.

Mr. Naren Sampath

Ship Broker - Purchase

Phone: +971 4575 4667

Mobile: +971 55 836 9147

Mr. Asif Ali

Ship Broker - Purchase

Phone: +971 4575 4667

Mobile: +971 58 645 0162

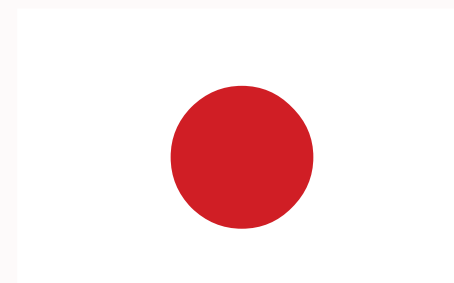


China

Mr. Xinchun Xu

Company Representative

Mobile: +86 136 6600 0719



Japan

Mr. T Ishii

Company Representative

Work: +81 354 522 405

Mobile: +81 901 536 1497

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