



DEMO MARKET REPORT & MARKET OUTLOOK – March 4, 2024

Report No. 60/26010324/040324.

COMMENTARY

INDIA – There are some indications of improvement in the local steel market in the billets and finished steel products, but cautious mood will prevail till sustainability of market demand is clear over next couple of weeks. Local steel plate prices reduced by USD 4/MT and imported scrap prices remain unchanged over past week but is getting soft. Ship recyclers continued to offer the same prices for fresh tonnages for recycling. There are hardly any candidates being discussed this week for Alang market. The reported Indian economic growth of 8.4% in Q42023 is because of a onetime drop in government subsidy which needs to be noted and the growth rate of 8.4% may not recur but would likely go back to 6.5% - 7% growth rate. Tight liquidity could be affecting economic growth and to counter the problem we could expect that the central bank could go for a first rate cut as early as April/May this year. Given the present cautious and weak sentiments amongst ship recyclers, we would expect prices offered by ship recyclers to continue at the same levels as the supply of fresh tonnages is slow.

PAKISTAN – Local steel market demand continues to be slow. There are some positive sentiments in the market because the government has been formed but it needs to be seen whether this can convert to a revival of economic activities resulting in an increase in the local steel demand. Liquidity as well as availability of foreign exchange continues to be challenging for businesses. Prices of local scrap equivalent to shredded as well as local rebar prices remain unchanged this week whereas there was reduction in prices of imported scrap by about USD5/MT. Prices offered by ship recyclers continued at about the same levels. With a limited number of ship recyclers in the market that can obtain foreign exchange, it should be noted that the prices offered by ship recyclers could drop much faster as soon as there is even a small improvement in the supply of fresh tonnages. In the meanwhile, we expect prices to remain at the same levels with a possibility to marginally firm up.

BANGLADESH – There has been an improvement in local steel demand as well as prices which is a good indicator. Though ship recyclers would still exercise caution as the global scrap prices are declining. Local steel plate prices have improved by USD 15/MT and local scrap prices have increased by USD 12/MT this week. Import scrap prices however reduced by USD 8/MT though this reduction is in line global reduction and not reflective of Bangladesh steel market. There are very limited ship recyclers that could be ready to buy and that too it is subject to their getting foreign exchange. Prices offered by ship recyclers saw a marginal increase of about USD 5/ LT LDT this week. Smaller vessels can get comparatively higher pricing as has been seen in one of the container vessels being worked upon this week. Ship recyclers are still cautious as they would



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like to see whether the local steel market improvement is sustained over the next couple of weeks amidst a weak real estate sector. We would however expect prices offered by ship recyclers to be marginally firming up due lower supply being offered for recycling.

TURKEY – Local steel market prices were under pressure and local steel mills have reduced their offer prices for domestic scrap by about USD 10/MT this week. Imported scrap prices reduced by another USD 15/MT this week and it continues to be under pressure. It is expected that imported scrap prices could further decline by about USD 10-15/MT before bottoming out which would need to be seen. Prices offered by steel mills for ship scrap have also reduced by USD 13/MT this week and there is still a possibility of further decrease. Depreciation of Turkish Lira continues, and we saw a decline of 1.70% this week against the US Dollar. Backed by good domestic consumption, the country registered a 1% increase in GDP in the last quarter of 2023 which is higher than expected despite interest rate hikes and that is good news. Prices offered by ship recyclers reduced by USD 10/LT LDT. We would expect prices offered by ship recyclers to be under pressure.

CHINA – With effect from 1.1.2019, China has stopped accepting any foreign flagged ship for recycling as per directives from Government. Breakers now can only recycle local ships from China.

SUPPLY – A relatively smaller number of fresh candidates were circulated this week. However, we have seen more deals concluded this week for the candidates that were circulated in the previous couple of weeks.

MARKET OUTLOOK – Tanker segment saw freight rate reductions in both crude and product whereas bulker segment experienced a mixed freight market across sizes but Capesize having gained the most this week. There is also a good activity in the secondhand bulker market. LPG and LNG freight markets were weak this week. The container segment is enjoying good demand and there is limited availability of idle tonnages across all sizes. With almost all segments enjoying higher rates, we would not expect any major supply of fresh candidates for recycling from any one segment. However, a lower supply of fresh tonnages for recycling balances out a lower appetite amongst ship recyclers to acquire fresh tonnages for recycling.



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GREEN RECYCLING:

In a significant development, the EU has become the first international body to criminalise the most serious cases of environmental damage that are comparable to Ecocide. In a vote in the European Parliament on Tuesday, EU lawmakers overwhelmingly backed the move with 499 votes in favour, 100 against and 23 abstentions. Member states now have two years to enshrine it in national law. **Water** abstraction, ship recycling and **pollution**, the introduction and spread of invasive alien species, and ozone destruction are all identified as environmental activities in the new directive. The current revision of the European directive could thus have a major influence on the negotiations underway and an impact outside EU territory,”

Source: [‘Revolutionary’: EU Parliament votes to criminalise most serious cases of ecosystem destruction | Euronews](#)

MAIN DEMOLITION SALES DATA FOR PERIOD Feb 26th – March 1st, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Kelsie	1994	8143	3535		As is Batam, Vsl has high SS content
Tween	Oscar 1	1981	3376	1010	475	Alang
Bulker	ISL Star	1999	74461	10116	528	Ctg
Tween	Al Jamil	1977	6828	2127	480	Alang
Cement Carrier	Asia Cement No.1	1980	6169	2234		As is Taiwan
Tanker	Eastern Tiger	1997	4999	2024		Buyers have Indian sub-con option
Container	Meratus Medan 2	1991		7284	505	As is Jakarka

MAIN DEMOLITION SALES DATA FOR PERIOD February 1st – March 1st, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Wadi S	1994	70087	10247	527	Ctg includes ROB
General Cargo	Safe	1995	2419	845		Alang
General Cargo	Rong Da Chang Sha	1998	21963	9560	525	Gadani
Bulker	Brother Glory	1998	70042	9505		Ctg



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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Ez Fortuna	1995	24550	7371		Ctg
Bulker	Zeus One	2002	177643	21364	495	Ctg
Container	Manis 7	1999	12171	5468	505	Ctg
MPP	El Youssef	1975	4104	1995		Aliaga
Tween	Anamos	1978	1670	980		Aliaga
MPP	Bontrup Emirates	1989	43497	11551	520	Alang
LPG	Sinar Tarakan	1995	3821	2080	540	Ctg
Container	Hong Yuan 01	1996	39528	11447	540	Ctg
Bulker	Sia	1999	74732	12605	502	
FPSO	Nan Hai Sheng Li	1975	130374	33151		As is Zhoushan
Semi-sub platform	Nan Hai Tiao Zhan	1979	12051	16327		As is China
MPP	Kaptan Hasan Onal	2009	9200	3104		As is Goa
Fish Factory	Sarco	1983	10070	16331		Alang
Bulker	Xin Xiang Rui	1992	22154	5119		As is China
Heavy Lift	Avatar	1983	17850	8920		As is Batam
Bulker	Qatar Ana	1989	43665	8015	509	Gadani
Passenger	Dhafi	1987	5040	6040		
Bulker	Wang Hai	2003	174732	23038		Gadani
Tanker	Kelsie	1994	8143	3535		As is Batam, Vsl has high SS content
Tween	Oscar 1	1981	3376	1010	475	Alang
Bulker	ISL Star	1999	74461	10116	528	Ctg
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STATISTICS

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN FEBRUARY 2024,2023, 2022.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
Feb 2024	08	23,820	13	97,750	04	48,748
Feb 2023	14	109,930	10	67,822	00	00
Feb 2022	16	88,552	10	80,626	07	70,005

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – QUARTER 1 2024, 2023, 2022.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
2024	23	114,039	27	157,539	04	48,748
2023	40	287,124	34	191,527	05	81,638
2022	50	307,278	46	511,086	25	241,369

INDIA - Indicative Price Levels for February in Current Year Vs Previous Years

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Feb 2024	475	485	525	490	445
Feb 2023	535	525	580	540	
Feb 2022	605	600	665	625	
Feb 2021	420	410	465	445	

*(a) (Prices LT/LDT, less 3% Add Comm) (b) We have introduced VLCC as a separate item in Wet segment from Jan 2023

BANGLADESH - Indicative Price Levels for February in Current Year Vs Previous Years

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Feb 2024	515	515	555	540	505
Feb 2023	565	575	635	605	
Feb 2022	665	655	680	680	
Feb 2021	455	445	460	460	



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****(a) (Prices LT/LDT, less 3% Add Comm) (b) We have introduced VLCC as a separate item in Wet segment from Jan 2023 onwards (c) There is a lot of problem in establishing LC. Thus, prices indicated are subject to LC opening.***

PAKISTAN - Indicative Price Levels for February in Current Year Vs Previous Years

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Feb 2024	530	530	545	540	510
Feb 2023	555	545	585	565	
Feb 2022	655	650	660	670	
Feb 2021	455	445	455	460	

****(a) (Prices LT/LDT, less 3% Add Comm) (b) We have introduced VLCC as a separate item in Wet segment from Jan 2023 onwards (c) Due to foreign exchange problem, prices indicated are subject to LC availability***

TURKEY - Indicative Price Levels for February in Current Year Vs Previous Years

Year	DRY	WET	CONTAINER
Feb 2024	340	350	360
Feb 2023	300	310	320
Feb 2022	360	370	380
Feb 2021	245	255	265

****(a) (Prices LT/LDT, less 2% Add Comm)***

Disclaimer: The information has been drawn from Wirana Shipping Corporation's (WSC) database and other sources. All efforts have been made to ensure that information contained in this report is accurate. While WSC has taken reasonable care in compilation of information, WSC makes no representations or warranties and cannot accept responsibility for error, omission or consequences therefrom.