



DEMO MARKET REPORT – DECEMBER 2021

COMMENTARY

INDIA – Local plate prices were under pressure in the first half of the month registering a drop of about USD 15/ MT but again regaining the lost territory in last week of December. Imported scrap prices also registered a drop of USD 20/MT during the month of December but the prices there have not yet recovered. In lines with drop in local steel plate prices as well as imported scrap prices, Ship Recyclers reduced their offers by about USD 20 / MT. Exchange rate also registered a drop of about 1.50% in first half of December but regained lost grounds by end of the month. However due to lower local demand, local steel plate prices volatility and exchange rate fluctuations, Ship Recyclers adopted a cautious approach and did not improve on the prices offered in second half of December. We would expect the cautious approach to continue in January in view of lower local demand. Short supply of fresh tonnages is the main factor due to which prices may not drop but continue to be at about same levels.

PAKISTAN – Market remained unchanged during the first 10 days of the month but due to lack of energy and slowing down of construction activities coupled with drop in prices of imported scrap by about USD 10-12/MT, Ship Recyclers reduced their offer prices by about USD 10/MT by mid-month. Ship recyclers maintained a cautious approach in view of weak fundamentals during rest of the month. Pakistani Rupee maintained same level during December though at a macro-economic level the pressure of foreign debts and trade deficit is an ongoing subject on which a solution is being worked upon by the Government. Due to continuing lack of fresh tonnages and considering that Bangladesh Ship recyclers are keen buyers willing to improve prices, we would expect prices to marginally improve in January.

BANGLADESH – Though local demand for steel has been slow in December, local plate prices have been stable. Prices offered by Ship Recyclers have also been maintained at same levels all through the month in spite of drop in prices of imported scrap by about USD 20 / MT. Though it must be mentioned that Ship recyclers have been adopting a cautious approach considering slower demand and drop in imported scrap prices. Lack of supply of fresh tonnages is indeed the main reason for the prices being maintained at same levels in December and with supply of fresh tonnages expected to be poor in January as well, we would expect prices to marginally improve as Ship recyclers will be looking out for fresh tonnages in the New Year.



DEMO MARKET REPORT – DECEMBER 2021

TURKEY- Inflation rate of 36% in December and weakening exchange rate dominated the economic news. Inflation has deteriorated purchasing power which has thus affected overall demand. While Turkish Lira has regained substantial lost ground, the economic turbulence is not yet over as pressure on lira still continues. On Ship recycling front, cruise ships and offshore vessels keep the Ship recycling yards busy. Prices of imported scrap has dropped by about USD 25/MT during the month of December. Prices offered by Ship Recyclers has remained unchanged during December in spite of difficult economic times and reduction in imported scrap prices. We would expect prices to continue at about the same levels.

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 – Limited supply of fresh tonnages continued as usual with tankers being main supply segment. However, the month of December was even slower on the supply front. This could be due to softer market sentiments at the recycling yards as against higher price expectations of Ship Owners. Also, holiday season and the end of the year had its impact in supply of fresh tonnages.

OUTLOOK FOR JANUARY – There was expectation during the beginning of last month that tanker freight market would register an improvement in view of reduced covid cases and an improved global demand of oil. However, present surge in covid cases has dampened the chances of any immediate increase in oil demand and thus the tanker freight rates. Basis this, we would expect tanker as the main segment supply for fresh tonnages for recycling. Offshore sector has registered some improvement and we may see comparatively lesser of offshore units coming up for recycling as compared to last year. We would expect prices offered for fresh tonnages to improve marginally due to lack of fresh tonnages and considering that international steel demand would not drop during the year though there might be a very short term impact on demand due to omicron virus surge.

GREEN RECYCLING:

1. Marco Polo Shipyard, a subsidiary of the integrated marine logistics company has been awarded a permit by Indonesian authorities to conduct ship recycling activities. The company proposes to provide green recycling solution to ship owners.



DEMO MARKET REPORT – DECEMBER 2021

2. Fulfilling a key commitment of European Green Deal, the Commission has adopted a proposal for a new EU Directive to crackdown on environmental crime. The proposal intends to make environmental protection effective by obliging member states to take criminal actions. The new environmental offences include illegal ship recycling. The proposed punishments being proposed could be quite severe like minimum imprisonment for up to 10 years in some cases. It also aims to train and strengthen the network of law enforcement agencies.

MAIN DEMOLITION SALES DATA FOR DECEMBER 2021

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Accom Barge	Halani Star	1982	5960	3141		As is Mumbai
Bulker	Force On	1985	38888	7140		Gadani
Bulker	St Clair	1976	45648	8752		Canda, damaged condition, delivery U/T
Drill Ship	Sevan Brasil	2012	40000	29794		Aliaga
FPSO	Bo Hai You Yi Hao	1989	52000	18010		China
FPSO	BW Cidade De Sao Vicente	1976	137684	27536	490	As is Duqm, Oman
LPG	Harriet	1988	4320	2291		Alang
MPP	Nordan	1982	3595	1467		Ctg
Pass	Oriental Dragon	1972	3202	9496	516	As is Penang
Rail Ferry	Banda Sea	1982	22239	11792	440	As is US Gulf
Tanker	Arina	1998	106131	15672		Buyers have Full Subcon delivery option
Tanker	Brave Worth	1994	31206	7769	605	Gadani
Tanker	Bull Kalimantan	2002	106548	16127		Ctg
Tanker	Chang Li	1994	9141	2771		Ctg
Tanker	Chemtrans Star	2000	63331	13260		Ctg
Tanker	Dong Ting Hu	1994	61938	14689		China
Tanker	Ever Luck	1998	11131	3624		Ctg
Tanker	IND	1976	16168	6240		Gadani
Tanker	Jin Fu Xing 602	1992	5143	2392		China
Tanker	Juli (ex Juliet)	1990	5958	1988		Gadani
Tanker	Leen	1996	4990	1905		Gadani



DEMO MARKET REPORT – DECEMBER 2021

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Maple	1998	19386	5409		Alang, 700 MT SS out if which 515 is solid SS
Tanker	Melati Dua	1997	32100	10211		Alang
Tanker	Navion Stavanger	2003	148729	24874		Alang, HKC
Tanker	Ocean Ruby	1997	153152	22029	599	Ctg
Tanker	Polar Rock	1996	105224	16620		Buyer's Option Gadani / Ctg
Tanker	Qubaa	1998	106681	16688	615	Gadani
Tanker	Sea Latitude	2001	309285	43705	568.5	As is Batam
Tanker	SOS	2003	309449	41402		Ctg, As is Assos
Tanker	Sothys	2003	107123	16749		Gadani
Tanker	Swiftchem	1995	16150	4489		Alang
Tanker	Vagabond	1996	9273	3025		Gadani
Tanker	Yuan Sheng	1992	4999	1860		Ctg

STATISTICS

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN DECEMBER 2021, 2020, 2019

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT - LT	Vessel	LDT – LT	Vessels	LDT – LT
2021	18	123,947	19	206,668	10	45,966
2020	26	175,923	19	193,354	18	150,000
2019	15	146,634	19	139,340	05	23,139

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – JAN TO DEC 2021, 2020, 2019

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT - LT	Vessel	LDT – LT	Vessels	LDT – LT
2021	209	1,528,841	254	2,536,088	138	1,058,338
2020	194	1,829,681	145	1,825,477	107	898,903
2019	190	1,532,678	231	2,444,443	36	126,062



DEMO MARKET REPORT – DECEMBER 2021

Indicative Price Levels for end of December in Current Year Vs Previous Years

India	Year	DRY		WET	
		Cape / Pmx	Handymax	Container	Tanker
	Dec 2021	555	545	620	580
	Dec 2020	415	405	445	425
	Dec 2019	385	380	415	415
	Dec 2018	415	405	460	430

Indicative Price Levels for end of December in Current Year Vs Previous Years

Bangladesh	Year	DRY		WET	
		Cape / Pmx	Handymax	Container	Tanker
	Dec 2021	615	605	635	635
	Dec 2020	445	430	450	450
	Dec 2019	385	365	395	395
	Dec 2018	435	415	455	455

Indicative Price Levels for end of November in Current Year Vs Previous Years

Pakistan	Year	DRY		WET	
		Cape / Pmx	Handymax	Container	Tanker
	Dec 2021	605	595	615	625
	Dec 2020	435	420	435	445
	Dec 2019	380	370	385	390
	Dec 2018	425	410	435	435

Indicative Price Levels for end of November in Current Year Vs Previous Years

Turkey	Year	DRY	WET
	Dec 2021	320	330
	Dec 2020	250	260
	Dec 2019	270	275
	Dec 2018	270	275

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.