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COMMENTARY

INDIA – The country breathed in relief as the number of Covid cases started declining from middle of the month with a substantial reduction of new positive cases in second half. Though, international travels are still not freed up due to which Indian crew movement for takeover of vessels continued to be hampered. Supplies of industrial oxygen resumed from mid-month which helped recycling yards start their ship recycling operation. Local steel plate prices improved by about USD 40 / MT till 3rd week of June but there was a reduction noted thereafter by about USD 25/MT over the month end. Weakening of Indian Rupee to USD by about 2.50% during the month resulted in practically no increase in local plate price during the month. In spite of lack of fresh tonnages, prices offered by recyclers reduced by about USD 10/ MT during the month. Over the month of July, while market fundamentals would not encourage recyclers to offer any price increase, we could expect prices marginally improve mainly based on lack of fresh tonnages.

PAKISTAN – The month started on a shaky note in terms of pricing in view of uncertainty in market due to upcoming budget. However, with strong local steel plate price and with ship recyclers looking for fresh tonnages, prices only registered a marginal reduction during first 2 weeks. With a budget announced on 11th June and there being no adverse effects on ship recycling, positive sentiments prevailed in second half of the month and there was a gradual improvement in prices offered by recyclers for fresh tonnages by about USD 15/ MT. Pakistan maintained its top spot in terms of better prices in Indian sub-continent compared to its counterparts. The positive trend is expected to continue through in July. With availability of fresh tonnage continuing to be scarce and local steel plate prices holding firm, we could expect prices to improve further though price improvement could be partially curtailed since India and Bangladesh have cooled down in terms fresh demand.

BANGLADESH – The month started with an uncertainty in market due to expected Budget announcement. Budget announcement brought policy changes which resulted in a marginal improvement in cash flow for recyclers. In spite of this, mixed feelings prevailed amongst Ship recyclers due to upcoming monsoon and prevailing high price levels for fresh tonnages. But due to lack of fresh tonnages supplemented by firm local steel plate prices, there was gradual price increase of USD 20-25 / MT during the month. Local Steel plate prices improved marginally towards the month end. In order to control the increasing Covid cases, Government announced a strict lockdown from July 1 for a week which has now been extended till July 14th. With the lock

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down and the fact that quite a few yards have been filled up, we would see slower demand and thus cannot expect a substantial price increase in July except for marginal price increase due to scarce supply of fresh tonnages

TURKEY- Market was stable all through the month on back of firm local demand. Towards the month end recyclers offered a price increase of about USD 5-10/MT. This was in spite of imported scrap prices registering a reduction of about USD 5-8 / MT and weak Lira. Over the month of July, we would expect prices to be stable at about same levels as presently seen.

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 – Tanker and Offshore units continued to dominate the supply of tonnages for recycling. This has been the case for past few months considering that Dry and Container segment are enjoying a very strong freight market.

OUTLOOK FOR JULY – We expect to see continuity of lack of fresh tonnages being offered for recycling through July due to exceptionally strong freight market being enjoyed by Dry segment and Container segment. Tanker freight rates have registered a marginal improvement on back of an increase in oil demand. This is due to countries opening up after successful vaccination roll out programs and resultant increase in consumer demand. Offshore industry too will try to delay sending units for recycling considering the increase in oil demand and prices. From a recycling perspective it could reduce supply of tankers and offshore although marginally. International demand for steel is also expected to be strong. We would expect prices in July to register an increase.

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GREEN RECYCLING:

1. Spain has acceded to Hong Kong Convention for Safe and Environmentally Sound Recycling of Ships 2009, making it 17th contracting state. Presently, 17 contracting states which consists of Belgium, Croatia, Denmark, Congo, Estonia, Germany, France, Turkey, Serbia, Norway, Panama, Malta, Netherlands, India, Japan, Ghana and Spain, represents approximately 29.77% of gross tonnage of world's total tonnage of merchant shipping.

2. Canadian Heddle is the latest participant to join Green Marine. Green Marine is a voluntary environmental certification program for North American Marine industry. It is a rigorous, transparent and inclusive initiative that addresses key environmental issues through its 14 performance indicators. Earlier this year, the American Maritime Partnership (AMP) (a coalition group representing the domestic US maritime industry) also joined Green Marine.

3. Crowley Maritime Corporation become thirteenth Ship owner to join SRTI whereby the US Owned Ship Owner- Operator will publicly disclose its ship recycling policies.

4. Bahrain Shipyard ASRY is working in partnership with Netherland's based company, Elegant Exit Company, to create a prominent hub for vessel recycling in the Middle East, Gulf. ASRY has recently received certification as being able to recycle in compliance with from HKC, EUSRR and ISO 30000.

Photo Source: The Marine standard

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5. SSI has published a report which explores shipping transition to a circular industry. The 4R model of Reduce, Reuse, Refurbish, Recycle presented in the report highlights the path for shipping to understand how circularity can be applied to its activities. The report states that ship recycling volumes are expected to double by 2028 and almost quadruple by 2033.

MAIN DEMOLITION SALES DATA FOR JUNE 2021

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Amur	1991	8091	2857	875	Alang, Has 660 MT SS
Container	Dole Costa Rica	1991	11800	8308		Alang, HKC
Tanker	Orient Well	1998	16839	5218	550	Ctg
Bulker	Win Win	2001	170085	20980	580	Ctg
Tween	Andrey Artemenko	1987	1841	1016	540	Ctg
Jack Up Rig	Valaris Ju 67	1976	6749	10062		As is Indonesia
Tanker	Gagasan Johar	1991	7618	3049		Ctg
LPG	B Gas Commander	1996	2335	1493		Aliaga
Offshore	Alcyon A	1981	1000			Aliaga
Offshore	West Navigator	1998	99304			Aliaga
Tanker	Dubra	1999	35930	8250		Gadani
Tanker	Eminence 1	1996	46341	10580		Buyers have Full Subcon delivery option
LNG	Carribean Energy	1980	72557	30652	637	U/T, Dlvd Ctg, Buyer's Option, Vsl has 3000 T of Aluminium content. Old sales in May cancelled
Reefer	Hua Jin 107	1986	4277	2700		Ctg
Tanker	Hazel	1995	46700	9570		Gadani
Tanker	Mirage	1995	46700	9597		Gadani
Tanker	Splendor Emerald	1997	45999	9696		Gadani
Tanker	Frachtice	1997	15855	5145		Gadani
Dredger	Yelox Delta	1984	10915	6072		Aliaga
Tanker	Elka Angelique	2001	44781	10182	590	Gadani
FSO	Global M	1998	298982	42152		As is Malaysia

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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Oro Singa	1999	113333	17428	528	As is Batam. Vsl has abt 400 MT sludges on board
Tanker	Wid A	1989	4580	2329	525	Alang
Tanker	Jag Shakti	1999	47431	9623		Ctg
Tanker	Rama 1	1985	4990	3813		Gadani
LPG	Katara	1993	4444	2586		Alang
Offshore	Lafore 800	1983	1135			Alang
Offshore	Lafore 900	1983	1135			Alang
Tanker	Medan	1991	152680	20584		Ctg
Tanker	Able II	1992	2261			Gadani
Tanker	Maya VN	2003	318778	44217	560	As is Batam, GFHW, ROB 600 MT incl.
Tanker	Kutch Bay	1997	107176	16701	557	Auction, as is Sri Lanka
Tanker	Champion One	1993	36362	6950		As is Belawan
LNG	Mediterranean Energy	1984	67592	32001		Incl Aluminium Content 3500 MT, U/T, dlvd Ctg
Tanker	Aston I	2001	36032	8273		Gadani
Tanker	Moon Spring	1996	7657	2354		Ctg
Reefer	Horncap I	1991	9160	7867		Alang
Pass / RORO	St John	1984	5022	9301		As is Manila

STATISTICS

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

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT - LT	Vessel	LDT – LT	Vessels	LDT – LT
2021	25	152,358	26	321,839	10	65,366
2020	22	241,807	14	263,510	06	102,445
2019	20	139,128	17	196,140	02	12,295

WIRANA SHIPPING CORPORATION

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VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – JANUARY TO JUNE 2021, 2020, 2019

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT - LT	Vessel	LDT – LT	Vessels	LDT – LT
2021	110	816,581	139	1,520,020	69	512,053
2020	91	803,682	74	959,752	20	138,008
2019	106	812,143	156	1,738,589	19	57,812

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

India	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	June 2021	520	510	570	535
	June 2020	285	275	320	305
	June 2019	390	380	440	420
	June 2018	425	415	470	435

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

Bangladesh	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	June 2021	570	560	580	585
	June 2020	300	285	325	325
	June 2019	410	390	425	420
	June 2018	440	425	460	455

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

Pakistan	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	June 2021	565	555	570	580
	June 2020	345	340	350	355
	June 2019	400	395	405	410
	June 2018	435	415	440	445

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

Turkey	Year	DRY	WET
	June 2021	280	285
	June 2020	200	210
	June 2019	250	255
	June 2018	275	280