



DEMO MARKET REPORT –MARCH 2022 & MARKET OUTLOOK

COMMENTARY

INDIA – The increase in steel prices continued this month. Local steel plate prices experienced volatility during the month when there was an increase in first two weeks of USD 20/MT followed by a drop of \$35/MT in third week and then price increase again by about USD 65/MT. Overall there was an increase in local steel plate prices of USD 50/MT in March and 1st week of April saw another increase of USD 10/MT. Imported scrap prices increased significantly during the month by about USD 80/MT even after registering a drop of USD 10/MT in last 10 days of the month after which prices of imported scrap have been stable. Prices offered by Ship recyclers for fresh tonnage improved by about USD 40/MT and another USD 10/MT in first week of April. Increased export opportunities (*In view of lesser quantity of steel available globally (Russia and Ukraine supplies constituted one-fifth of European Steel imports)*) along with increasing energy costs and inflationary pressures, local steel plate prices could increase further helping Indian Ship Recyclers improve their offers for fresh tonnages in April. Though, we need to note that being the country with third fastest inflation in Asia, India is already grappling with inflation and Indian manufacturers are running out of capacity to absorb rising input costs who would pass increased costs to consumers which could dent disposable income and consumption thus affecting demand which is key to India's economic recovery. Thus while we will see some price improvement in April, we could see prices softening in May-June.

PAKISTAN – Local steel plate prices increased during the first two weeks after which prices have remained stable. Prices of the end products have also increased in later part of the month which is a good indication that present local steel plate prices could be sustainable. There was a gradual improvement in prices of imported scrap by about USD 40/MT during the month. Prices offered by Ship Recyclers improved by about USD 15/MT during the month of March but prices offered by Ship recyclers have dropped by USD 10/MT. The lower prices offered by Ship Recyclers are in line with drop in prices offered by Ship Recyclers from Bangladesh and a cautious approach being adopted by Ship recyclers against prevailing high price levels. Pakistani Rupee has weakened against the USD by about 4% during the last month and currency pressure could continue in view of current political instability along with pressures on foreign reserves and higher inflation. During the month of April, we would expect prices to experience downward pressures leading to a marginal price reduction.



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BANGLADESH – Local Steel prices had registered a major improvement in first 2 weeks of about USD 70/MT however prices thereafter have been under pressure and have reduced by USD 50/MT. Imported scrap prices on the other hand saw a gradual and continuous increase resulting in a total increase of USD 90/MT in the first 3 weeks after which the prices have been stable. In lines with increase in local prices, Ship Recyclers increased their offer by USD 30/MT during the month but in the first week of April prices offered by Ship recyclers has dropped by USD 10/MT. The reduction is in line with lower local steel prices and demand. Present foreign exchange crisis (due to higher imports, lower exports and lower inward remittances) has spilled over to call money market putting a pressure on liquidity which could delay capital projects and reduce demand. In view of present economic situation, we would expect prices to be under pressure resulting in a marginal price reduction.

TURKEY- There was a major increase in local steel prices of about USD 120/ MT. Increase in the energy costs along with disruption of supply of raw material for steel production (Russia and Ukraine were amongst the major suppliers of raw materials) has resulted in steep increase in price of steel locally. In addition, with Turkey's real interest rate of -40% (due to its very high annual inflation rate of 61%), there is strong possibility of Lira further weakening during the year. Prices offered by Ship Recycler for fresh tonnages improved by about USD 90/MT during the first half of the month after it has remained stable. Considering present supply constraints with higher energy costs, we would expect prices to remain at about same levels during the month of April.

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 – The supply of fresh tonnages for recycling continued to be low with Tankers still forming major portion of the tonnages being offered for recycling. We have started to see bulkers being offered for recycling though these are fewer in number. Attractive freight rates continued across container and dry segment. In spite of high prices being offered for fresh tonnages, there are many Sellers who still expected prices for improve further and had thus not concluded on their vessels.



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OUTLOOK FOR APRIL – We should continue to see the same pattern of supply as has been prevailing for past few months – mainly from tanker segment. Drop in the prices offered by Ship Recyclers during last week from Bangladesh and Pakistan could prompt some Ship Owners who were holding on to their units for higher prices, to sell their units now, to avoid selling at an even lower price later. We should expect prices to be under pressure due to which there could be a marginal softening in prices from Ship Recyclers in Bangladesh and Pakistan.

GREEN SHIP RECYCLING

1. ECSA welcomed European’s Commission’s proposal for a new regulation on shipment of waste which could solve the problems of many EU flagged ship owners for recycling of their ships. The proposed regulation follows a two side approach (a) facilitate intra-EU waste shipment to promote circular economy and (b) Waste export to non-OECD countries will be restricted and only allowed if third countries are willing receive certain waste and are able to manage them sustainably and facilities receiving their waste are subject to an independent audit to confirm that ship recycling facilities manage waste in an environmentally sound manner.

MAIN DEMOLITION SALES DATA FOR MARCH 2022

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Bell	1996	148668	17741		Ctg
Bulker	Berge Arctic	2001	174285	27461	660	Alang, HKC
Bulker	Cape Sun	1999	171746	22396	648	As is Vietnam
Bulker	One Vision	1983	95624	13616		Ctg
Fish Factory	Sveaborg	1979	4038	4936		Vessel has very high non-ferrous content
Jack Up Rig	AD90	1982	4723 GRT	5719		U/T, Alang
Livestock	Al Baraka 3	1978	2196	1963		Alang
LPG	Clipper Odin	2005	29216	11957		Ctg
LPG	Odin	1997	23469	9835		Alang
Offshore	Tag 5	2009	1350	2321		
Pass/ RORO	Hanchang Gangwon	1996	5851	11121		As is Sakcho, Korea, laid up and U/T
Passenger	Delphin	1975	2851	8954		Aliaga
PSV	Greatship Rohini	2010	3656	2456	649	As is Mumbai
Reefer	Ocean Mariner	1983	6465			Alang



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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Ropax	Yener Ciner	1979	1068			Aliaga
RORO	Camilla D	1982	7480	4821		
Tanker	Alabama Star	2004	72514	13638	721	Ctg
Tanker	Bow Flower	1994	37221	11052	1310	Alang, Class NK HKC, Solid Stainless Steel 2400 MT
Tanker	Distya Pashti	1998	33540	10547		Ctg
Tanker	Gala	2000	105856	16885		Ctg
Tanker	Kane	2002	45462	12389		Ctg
Tanker	Kapten Caroq	2006	109672	20005		Ctg
Tanker	New Hellas	2001	105815	17587	650	Gadani
Tanker	Qinghai Lake	1996	99405	16365		Ctg
Tanker	Sapper	1997	14002	5503		Alang
Tanker	Star	2002	47465	9612		Ctg
Tanker	Star 1	2001	105815	17587	650	Gadani
Tanker	Trident Bird	1983	5747	2136		Gadani
Tween	Nand Aparna	1992	2277	796		Alang

STATISTICS

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN MARCH 2022, 2021, 2020

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT - LT	Vessel	LDT – LT	Vessels	LDT – LT
2022	21	157,334	15	175,876	08	72,796
2021	10	56,868	33	264,110	12	92,871
2020	07	76,641	11	121,741	01	2,484



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VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – UPTO MAR 2022, 2021, 2020

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT – LT	Vessel	LDT – LT	Vessels	LDT – LT
2022	46	295,683	46	493,003	25	241,369
2021	50	375,886	68	772,722	24	192,596
2020	60	311,687	50	617,035	13	34,483

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

India	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	Mar 2022	645	640	705	665
	Mar 2021	455	445	500	485
	Mar 2020	Market Closed due to COVID			
	Mar 2019	420	410	460	435

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

Bangladesh	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	Mar 2022	695	685	710	710
	Mar 2021	490	485	500	510
	Mar 2020	Market closed due to COVID			
	Mar 2019	450	430	480	465

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

Pakistan	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	Mar 2022	670	665	675	685
	Mar 2021	490	485	495	500
	Mar 2020	Market closed due to COVID			
	Mar 2019	435	420	430	445



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

Turkey	Year	DRY	WET
	Mar 2022	450	460
	Mar 2021	230	240
	Mar 2020	225	225
	Mar 2019	280	285

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.