

December 29<sup>th</sup>, 2023  
Volume 256, Issue 1115  
Week 52

**QUOTE**  
of the  
**WEEK**

**“Don’t worry about failure; you only have to be right once.”**

– Drew Houston

## Highlights:

- Last week of 2023.
- More deals.
- Rocky ride.
- Financing issues.
- Cause for optimism.
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## MARKET COMMENTARY

### WITH MIXED FEELINGS, ADIEU 2023!

The last week of the year delivered unto the international ship recycling community & industry overall, a ship load of mixed feelings.

On the one hand, we have seen comparatively more deals concluded in 2023 than we did in 2022, with 2022 being the weakest of years over the last decade (in terms of the volume of vessels recycled in a single year). On the other hand, despite the industry witnessing a far firmer volume of vessels recycled this year, when compared to a bloated global NB orderbook (particularly in the container sector), the recycling industry still fell short of the number of permanent exits needed in order to balance out global fleets.

Prices too have endured a rocky ride through much of 2023, with peaks well above and into USD 600/LDT being surpassed in the first half of the year, followed by the traditional summer / monsoon collapse that saw about USD 150/LDT wiped off in a few short months during the rains and even after. Accordingly, losses sustained by most Ship Owners, Cash Buyers, & Vessel Recyclers have been particularly punishing for yet another year, as all continue to hope for brighter days for this sector and we forever bid 2023 goodbye.

As a cheat sheet on the eve of the New Year, we would like to remind our readers that financing issues continue to persist in both Pakistan & Bangladesh – with a majority of their domestic banks still unwilling to sanction fresh financing / L/Cs on new vessel purchases, even though demand has been firming and domestic yards are starting to gradually empty out.

Moreover, there also remains cause for cautious optimism amidst international steel and commodity prices that remain firm, as many believe vessel prices to have bottomed out across the sub-continent markets. Currencies appear to have been fluctuating within an acceptable-to-positive range over recent weeks as well, all while incoming IMF loans stand to potentially alleviate a lot of the funding hurdles that are currently besetting Bangladeshi & Pakistani banks.

For week 52 of 2023, GMS demo rankings / pricing for the week are as below.

All at GMS would like to wish readers a Happy New Year and all the best for 2024!

Rank	Location	Sentiment	Dry Bulk USD / LDT	Tankers USD / LDT	Containers USD / LDT
1	India	Weak	510 / LDT	530 / LDT	550 / LDT
2	Pakistan*	Weak	500 / LDT	520 / LDT	540 / LDT
3	Bangladesh*	Weak	490 / LDT	510 / LDT	530 / LDT
4	Turkey	Improving	340 / LDT	350 / LDT	360 / LDT

\*Subject L/C approval

## BANGLADESH

### BELEAGUERED!

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*Disastrous year.*

Afar from what has been a rather tumultuous year for Bangladesh's beleaguered ship recycling sector (especially over the last two quarters) – an overall disastrous 2023 for this nation has mercifully concluded and nearly everyone in the country (and especially Chattogram's ship-recycling sector) will certainly be yearning for a brighter 2024.

As an ode to this market's perseverance - throughout all of the domestic and political unrests, strikes, violent riots, and protests over the last 2 quarters that occasionally lead to virtual shutdowns across the nation, the domestic ship-recycling sector managed to persist and operate without any major interruptions.

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*No buying.*

Additionally, the unseasonably harsher monsoon rains from June to September also caused significant disruptions and strife, with large swathes of the republic ending up under water and domestic infrastructure being reportedly damaged as a result of.

All of this this has stemmed into a harsh reduction in appetite, in what has traditionally been an aggressive and reliable Chattogram ship recycling destination - especially as the year ends. Furthermore, it has invariably tossed the plans of Ship Owners & Cash Buyers into disarray, given that much of the tonnage beached this week was eventually diverted from a potential Bangladesh delivery, into a competing market.

As we stand at the doorstep of 2024, The Taka took an unexpected drop past BDT 109.50 against the U.S. Dollar, all while local steel plate prices have gone back to flatlining once again, indicating that there is either an absence of material to transfer from local yards, or that yard owners are stringently holding on to their material until steel plate prices improve further.

## INDIA

### PICKING UP SLACK!

Through much of the year, Alang has had to pick up a considerable amount of the slack from competing sub-continent markets, albeit at the expense & mercy of ever deteriorating rates to Owners and Cash Buyers alike.

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*Deteriorating.*

Indeed, vessel prices overall have lost significant ground over the course of the year, induced by the seemingly never-ending volatility and subsequent currency jitters that have sent the Indian Rupee through about a 5% fluctuation in value over recent weeks, resulting in the INR ending the week at Rs 83.20 against the U.S. Dollar.

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*Contradictory.*

Taking their turn on the trampoline of crystal jitters have been local steel plate prices that continued their own volatile dance, losing nearly USD 10/Ton within the first couple of days of trading, only to end the week USD 7/Ton weaker.

Overall, with 2023 now bidding adieu to the world and despite a healthy majority of Alang's ship recycling yards reaching top-quality IACS Class HKC accreditations, it is head-scratching to witness surprising developments that continue to negatively affect the ongoing efforts of Indian Ship Recyclers, such as the recent U.A.E. ruling that effectively bans all U.A.E. flagged vessels and those calling U.A.E. ports, from 'beaching' in India.

On the flip side, a positive development concerns the E.U.'s willingness to revisit Indian ship recycling yards in the coming year, with a view to eventually include them in their list of sub-continent approved vessel recycling facilities.

Notwithstanding the above, these ongoing regulatory developments clearly tend to be contradictory & confusing, and we regrettably expect this to be the case moving forward - especially as various groups & stakeholders seem to invariably lobby against the positivity and improvements being made in this sector and in the Indian sub-continent markets overall.

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**NO MARKET SALES REPORTED**

## PAKISTAN

### LOOKING UP?

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*Recognizing HKC.*

As 2023 nearly wraps up, Pakistan has finally recognized and adopted the Hong Kong Convention (HKC), becoming the final sub-continent ship recycling destination to do so!

In earnest however, the true test for Gadani Ship Recyclers really presents itself now, as domestic Yard Owners will now have to front the necessary investments needed to perform potentially extensive yard upgrades needed to help Pakistan catch up to the infrastructure upgrades already in place at numerous competing Indian & Bangladeshi yards, all while keeping an aim at staying ahead of the 2025 entry of the HKC into force!

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*Slowly but surely.*

Meanwhile, on the domestic fundamentals front, as local steel plate prices start to flatline once again, the Pakistani Rupee seems to have adopted recent volatility trends from neighboring India, where the PKR started the week at levels just shy of PKR 283 against the U.S. Dollar, only to volley around and end the week marginally firmer at PKR 281.78.

Gadani's port position also reported a pleasant increase in the volume of arrivals and beachings this week, hopefully boosting local sentiments as we stand at the threshold of 2024.

Overall, we can only hope that the extreme volatility in the currency starts to settle as 2023 is finally in the rear-view mirror and on the back of further IMF funding, L/C financing banks should (hopefully) start to come back positively next year, in order to further assist domestic Recyclers fill their emptying plots with available tonnage once again.

Perhaps at last things can start to look up in Pakistan!

## TURKEY

### QUIET GOODBYE!

Through the final few days before the struggle to write “2024” on personal checks becomes a reality for many of us, the Turkish Ship Recycling sector could not escape its own quiet end to the year that the rest of the industry is also traversing through at present.

Like its sub-continent brethren in India, import and domestic steel plate prices fell by about USD 10/Ton, all while the Turkish Lira becomes the only currency to consistently decline (when compared to competing recycling destinations) against the U.S. Dollar, as it ends the week at TRY 29.50 – steadily on its way to breaching TRY 30. A truly sad, epic, and simultaneously record-breaking decline.

While local offerings on recycling units have firmed up considerably (likely off of the ongoing dearth of recycling tonnage), a lack of market sales leaves the true gauge on vessel pricing, an ongoing mystery.

Let’s hope like the rest of the industry, we hope to see more from Turkey in the coming year(s).

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*Import and local steel drops.*

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*TRY 30 next?*

## INTERESTING SPACE FACTS

- ✚ *Pluto might not be at the very end of the Solar System. There's a distant part of the Solar System at the far out reaches and nearly into interstellar space known as the 'Kuiper Belt', where objects very similar to, and potentially larger than Pluto, could be circling the solar system.*
- ✚ *Spacecraft are hurtling towards the edge of our solar system at beyond breakneck speeds. Thanks to the absence of an atmosphere and gravity, the New Horizon Space Place Probe, for e.g., is travelling at innumerable speeds in excess of 36,000 mph. In comparison, the fastest aircraft on earth - The SR-71 Blackbird - travels at a mere 2,700 MPH.*
- ✚ *The Universe gets colder as it grows. Research on galaxies at an extreme point from us shows that the Universe is expanding at an accelerated speed. The fact that it is cooling might be an indication that the end of the Universe will more than likely be cold.*
- ✚ *The Earth is not flat, but the universe is. According to Einstein's Theory of Relativity, the universe might take three possible shapes: open, closed, and flat. As per research measurements, it seems increasingly that the Universe is flat.*
- ✚ *Interesting large-scale structure of the universe? The next is certainly one among the most amazing science facts about the universe is its large-scale structure. The universe comprises voids, filaments, galaxy groups and clusters. The clusters together combine to form superclusters, which in turn form a wall that might be a part of the filaments of the universe. Get it?*

## IMPORTANT DATES

<b>INDIA</b>	
BANK HOLIDAYS	BEACHING TIDES
December 31 – New Year's Eve January 01 – New Year's Day January 15 – Pongal January 26 – Republic Day	December 24 – December 31 January 09 – January 17 January 23 – January 30

<b>BANGLADESH</b>	
BANK HOLIDAYS	BEACHING TIDES
December 31 – Bank Holiday January 01 – New Year's Day January 07 – Bangladesh Parliamentary Polls	December 26 – December 29 January 13 – January 16 January 27 – January 30

<b>IMPORTANT BANK HOLIDAYS</b>		
CHINA	PAKISTAN	TURKEY
January 01 – New Year's Day	January 01 – New Year's Day	January 01 – New Year's Day

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## ALANG - Port Position as of December 29, 2023

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Chime	5,072	Gen Cargo	Beached December 27
2	Daytona Dynamic	6,058	Bulk Carrier	Beached December 26
3	Gas Dollart	2,491	LPG	Beached December 28
4	Ibra	4,960	Dredger	Beached December 25
5	Iconic 09	3,062	Supply	Beached December 25
6	Race I	5,425	Container	Beached December 25
7	Ria Towed (Under Tow)	29,500	LNG	Beached December 25
8	Sas 4	935	Supply	Arrived December 16
9	Seas	10,061	Oil Tanker	Beached December 22
10	Silk	7,036	Container	Arrived December 24
11	White Palm (Under Tow)	762	Pilot Boat	Arrived December 16
12	Xin Feng	10,316	Container	Arrived December 28
<b>Total Tonnage</b>		<b>85,678</b>		

## CHATTOGRAM - Port Position as of December 29, 2023

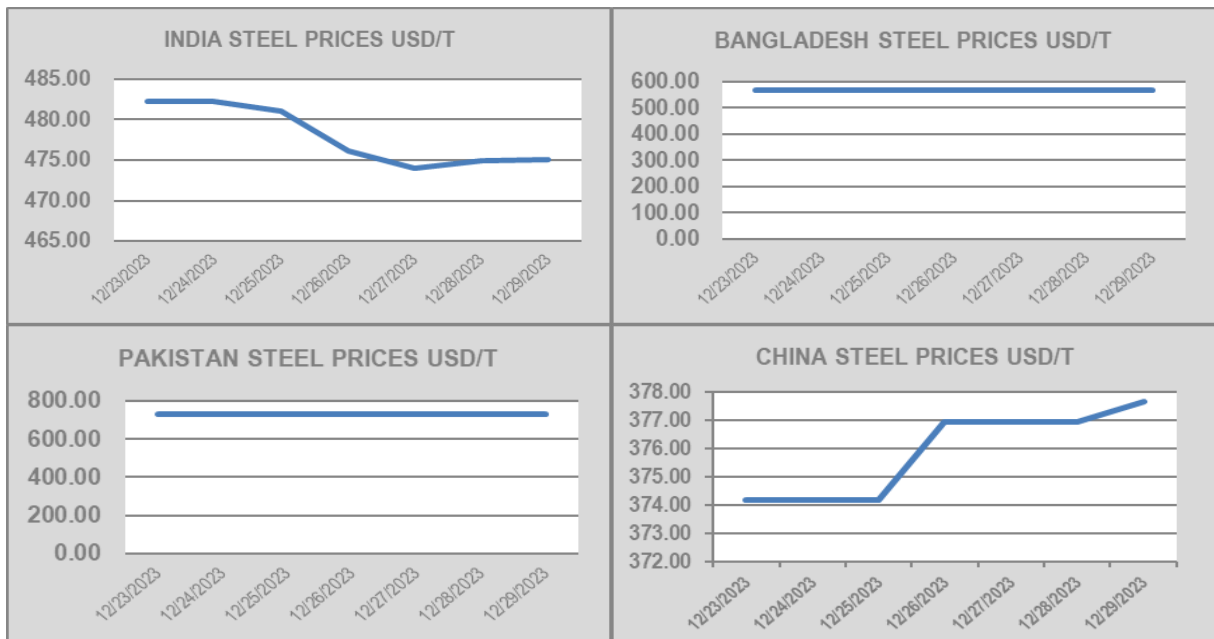
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Silver Wind	1,012	General Cargo	Beached December 27
2	West Ocean 12	1,733	General Cargo	Arrived December 23
3	Ying Shen	3,868	Container	Arrived December 20
4	Yosei Maru	818	Cement Carrier	Beached December 29
<b>Total Tonnage</b>		<b>7,431</b>		

## GADANI - Port Position as of December 27, 2023

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Dong	9,808	Bulk Carrier	Arrived December 24
2	Iku Maru	450	Tanker	Arrived December 26
3	Nadeem	200	Tug	Beached December 22
<b>Total Tonnage</b>		<b>10,458</b>		

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DATE	INDIA STEEL PRICES USD/T	INDIA STEEL PRICES	PAKISTAN STEEL PRICES USD/T	PAKISTAN STEEL PRICES	BANGLADESH STEEL PRICES USD/T	BANGLADESH STEEL PRICES	CHINA STEEL PRICES USD/T
12/23/2023	482.26	40,100.00	727.59	207,000.00	569.11	70,000.00	374.19
12/24/2023	482.26	40,100.00	727.59	207,000.00	569.11	70,000.00	374.19
12/25/2023	481.06	40,000.00	727.59	207,000.00	569.11	70,000.00	374.19
12/26/2023	476.08	39,600.00	727.59	207,000.00	569.11	70,000.00	376.95
12/27/2023	473.96	39,500.00	727.59	207,000.00	569.11	70,000.00	376.95
12/28/2023	474.99	39,500.00	727.59	207,000.00	569.11	70,000.00	376.95
12/29/2023	475.05	39,500.00	727.59	207,000.00	569.11	70,000.00	377.68



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