

March 22<sup>nd</sup>, 2024  
Week 12  
Volume 259, Issue 1126

QUOTE  
of the  
WEEK

“The bad news is time flies. The good news is you're the pilot.”

– Michael Altshuler

## Highlights:

- Not enough.
- Well positioned.
- India down.
- Mere trickle.
- Sustainable?
- Scan to download and view the GMS Weekly on our Recycling App!



## MARKET COMMENTARY

### EKING OUT, UNCARING ABOUT!

Despite the occasional small(er) LDT candidate popping up for sale over recent weeks, there regrettably remains the ongoing scarcity of tonnage that is simply unable to fill the most basic of demands at the major ship-recycling destinations. As plots across Indian sub-continent markets gradually recycle through their respective shares of vessel deliveries through the first quarter of 2024, both Bangladeshi and Pakistani markets remain well-positioned despite the onset of the traditionally quieter month of Ramadan, while India continues to dither (seemingly) uncaringly in silence, with a whole lot of holidays lined-up next month.

Like Turkey, India has endured an exceptionally rough year, with volatile steel plate prices of its own, a currency that's weakening sharply again, an upcoming election that is looming large over the nation's horizon, and the lingering hope that if the Modi government does win another term, the raft of infrastructure projects previously proposed by this administration could finally come to fruition and potentially boost local steel prices, helping the country's beleaguered ship recycling sector in turn. Additionally, despite the implementation of punitive taxes & duties to prevent serious undercutting of domestic steel, the issue of cheap Chinese billets has reared its head once again as China starts to flood the markets (including India) with large amounts of cheap steel, similar to what the industry witnessed back in 2015 & was labeled as the second ship recycling recession (after the global crash of 2008) when vessel prices essentially halved for this very reason.

In an alternate light, the mere trickle of ships has also helped global ship recycling markets remain relatively well-positioned through these tumultuous times, as the rare unit that does get proposed into the markets, is often subject to serious Cash Buyer competition resulting in Ship Owners getting the best bang for their buck no matter what the prevailing market conditions are at the time, and everyone is making money at the time of the MOA, EXCEPT for the Cash Buyer, who is still forecasting where the market will be 30 days later / closer to the time of physical delivery, hoping to make do with even just USD 1/Ton on the books – gotta love this industry's tenacity.

Overall, dry bulk rates continue to enjoy this unexpected & unseasonal boom since the start of the year, and many have been left asking just how sustainable this really can be in the long run, before freight rates rapidly normalize and we see recycling volumes promptly pick up thereafter, causing recycling levels to drop in kind. Even the relatively lower placed container sector – despite seeing a few more vessels sold this year - has yet to really fire up (in terms of recycling volumes).

For week 12 of 2024, GMS demo rankings / pricing for the week are as below.

Rank	Location	Sentiment	Dry Bulk USD / LDT	Tankers USD / LDT	Containers USD / LDT
1	Bangladesh*	Steady	510 / LDT	530 / LDT	550 / LDT
2	Pakistan*	Steady	500 / LDT	520 / LDT	540 / LDT
3	India	Weak	480 / LDT	500 / LDT	520 / LDT
4	Turkey	Declining	320 / LDT	330 / LDT	340 / LDT

## BANGLADESH

### QUIET TILL MAY?

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*No sales.*

Even though several small(er) LDT vessels previously have been, and a handful more are reportedly enroute to Bangladeshi shores, it has remained a bleak week of local sales & recycling activity, a theme that has persisted since the start of 2024 and will likely continue until the inception of May (at the very least).

This should (optimistically) give Ship Owners and Bangladeshi Recyclers, a month-long window to transact their respective shares of tonnage before the Monsoon rains start to hammer domestic ship recycling activity & vessel pricing down again, all while the water levels & local havoc start to rise.

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*Red Sea crisis.*

Moreover, not only has the start of the Holy month of Ramadan kept a healthy majority of domestic Ship Recyclers distracted away from the bidding tables, but the shortage of potential tonnage that's been diverted towards trading lanes since the onset of the Red Sea crisis also remains the biggest reason behind 2024's global ship recycling lethargy.

In the meantime, given that this market was only recently able to break free from the L/C shackles of yesteryear that completely arrested the ability of domestic Ship Recyclers to import vessels into Bangladesh (and similarly into Pakistan on the West), only to be greeted by a brutal shortage of vessels that has re-arrested the ability of local Recyclers to import tonnage once again - essentially leaving Chattogram Choppers with nothing more than a bitter taste to consume. Yet this very shortage has ironically, thankfully, and perfectly timed itself with Ramadan this year, affording precious more time to domestic recyclers with their family & loved ones, whilst this prolonged downtime persists.

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*Price cool?*

Chattogram's port position also remained no different this week, with just one decent-sized Bulk Carrier arriving the nation's recycling waterfront, as last week's arrival still remains at local anchorage awaiting its turn on the beach (*See Chattogram Port Position on Page 7*).

On the domestic fundamentals front, the Bangladeshi Taka showed some signs of dither this week (could just be the onset of Ramadan) that resulted in the Taka weakening towards BDT 110 against the U.S. Dollar, whilst local steel plates remain flatlined yet again, with no movement to report from their end.

Overall, the month of Ramadan has traditionally brought with it a quieter time, and with so much of the aggression to acquire already starting to taper off this week, will vessel prices likely follow suit in the coming week(s)?

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**NO MARKET SALES REPORTED**

## INDIA

### INDIAN DISCO!

The Indian ship recycling disco continues on for another week, with limited interest on any number of the rare units being proposed for sale – even on the rarer HKC-only green unit and that too at seemingly reasonable levels – so disinterested have Alang's Ship Recyclers become of late.

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*So disinterested.*

Is it the nation's upcoming General Elections that is keeping the domestic economy (at large) as well as Alang's purchasing mindset, nervous about the country's immediate future following the results of the election, or is it the upcoming window of holidays that is offering Alang Buyers a sweet distraction away from whatever it is that has dwindled local interest down to essentially ... nothing.

To put things into perspective, even though we have witnessed an empty Alang port report in the past, another one of the competing sub-continent recycling destinations has also been empty as well. However, with India being the largest ship recycling destination in the world, Pakistan recording comparatively more arrivals on a weekly basis, and Alang's port position having nothing more than a 2K LDT general cargo vessel arriving its local anchorage this week, definitely highlights the lack of interest from Alang - and there certainly don't seem to be too many misgivings from local Recyclers about the current situation.

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*Reticence.*

In the interim, local fundamentals have only accelerated the pervading uncertainty as local steel plate prices continue their volatility against the U.S. Dollar despite ending the week just about USD 1/Ton higher than last, all while the Indian Rupee assumes the pole-position in recycling nation currency depreciations this week, as the INR rocketed down by nearly Re. 1 (to Rs. 83.70) against the U.S. Dollar, only to end the week at levels region Rs. 83.55.

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*Election hopes.*

Overall, in the event the Modi government does retain power after the elections, there may (hopefully) be a raft of new, previously announced, infrastructure projects that could be set into motion, which would in-turn stimulate the Indian economy & give the domestic ship recycling sector, the much-needed boost it needs to make it at least as competitive as the Pakistani & Bangladeshi markets.

## PAKISTAN

### UNWORKABLE!

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*Slim pickings.*

Amid a diminishing interest emanating from the shores of Gadani on the slim pickings of currently available tonnage, coupled with the onset of Ramadan this week, which has traditionally & historically been a quieter month of inactivity & pricing, an unsurprisingly lackluster week finally saw Pakistani levels start to come off this week.

Notwithstanding the decline, even though Pakistani offers (at their current levels) remain well-above an unseasonably depressed Indian market, they (Pakistani Recyclers) simply cannot compete with the far better placed Bangladeshi market, even calling into question whether future vessels that would be open West of Gadani / coming in from the Med, end up bypassing a WC India / Pakistan range redelivery all together, especially if Pakistani levels continue to fall and Ship Owners & Cash Buyers continually chase the ports of ever-increasing margins.

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*Bypass?*

While there certainly have not even been as many deals concluded into Pakistan so far this year, Gadani's port reports continue to tell a different story than competing Alang's, thanks to the easing of previously constrictive L/C & financing hurdles that embattled Pakistan's ship recycling sector for nearly 3 quarters of 2023.

Moreover, the volume of deliveries thus far in Q1 2024 are gradually approaching the total of 17 vessels that were beached by Pakistani Recyclers through all of 2023, as at the very least, 10 vessels will be beached in Gadani (including the 2 at local anchorage) before the start of Q2 2024.

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*Surprising &  
Unsurprising.*

Meanwhile, domestic fundamentals have reported (probably) the best performance of all of the major ship recycling destinations as not only do local steel plate prices continue to display their ongoing share of stability by flatlining at a steady level week after week, but the Pakistani Rupee was also the only currency among the top 5 global ship-recycling destinations to record an improvement as it broke into PKR 277.9X territory, only to end the week at PKR 278 against the U.S. Dollar.

As such, the surprising (that it happened so soon) and simultaneously unsurprising (on account of Ramadan) decline in the level of local offerings will hopefully be short-lived and Pakistani Recyclers can return to the bidding tables just as aggressively, post-Ramadan.

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**NO MARKET SALES REPORTED**

## TURKEY

### MORE OF THE ... PEACE!!!

Through the ongoing & perilous dearth in the availability of recycling tonnage, in addition to Ramadan celebrations that were fully underway this week, the Turkish ship recycling sector remained un-impenetrably quiet for yet another week, further crippled by domestic fundamentals that have been nothing short of a crazy mess of late.

Thankfully, Ramadan has added a greater degree of peace, through what has turned 2024 into a crockpot full of dreary for Aliaga Recyclers so far this year.

Inflation is running amok, and the Turkish Lira is exponentially weaker today than it was 2 years ago. Moreover, despite the marginal recovery made by the Lira against the U.S. Dollar this week, it was too little to be noticed and far too late to matter.

Domestic steel plate prices also remain down, all while import steel prices likely made a small improvement of about USD 5/Ton this week, on account of domestic Buyers focusing on religious activities and time with family & loved ones, rather than trading through this dreadful market, which inevitably resulted in its marginal firming.

As such, given that there really is nothing to return to work at local ship recycling yards for, we can expect Aliaga to remain further out the fray, certainly at least until the start of May.

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*Crippled.*

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*Lira up?*

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*Out till May.*

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## INTERESTING SCIENCE & SPACE FACTS

- ✚ India becomes the first nation to achieve a soft landing at the lunar south pole – just days after Russia’s failed attempt. But in September, the Indian Space Research Organisation (ISRO) announced it had lost communication with its Vikram lander.
- ✚ NASA’s OSIRIS-REx returned with sample from the asteroid Bennu.
- ✚ Psyche mission launches and is scheduled to arrive at the asteroid that shares its name in 2029.
- ✚ Australian researchers published a paper outlining a potential use for honey from the bizarre honeypot ant: creating powerful antibiotics. In doing so, they acknowledged the thousands-of-years-old medicinal use of the ant by Australia’s Indigenous people.
- ✚ After 25 years of research, a woman born without a womb became the first in the UK to have a successful womb transplant. The donated organ came from her sister. The patient hopes to have an embryo transfer procedure, after which she may be able to carry her own baby and give birth.
- ✚ Coastal creatures are flourishing in the Great Pacific Garbage Patch. Floating plastic pollution is creating a new habitat in the open ocean, one where coastal animals can prosper. In a new study, ecologists analyzed 105 pieces of debris from the Great Pacific Garbage Patch. They found hundreds of marine invertebrates, belonging to 37 groups which they once thought could survive only on the coasts.

### IMPORTANT DATES

INDIA		
BANK HOLIDAYS	BEACHING TIDES	
March 25 – March 26 – Holi March 29 – Good Friday April 01 – Bank Holiday April 06 – Jumat-UI-Wida April 09 – Gudi Padwa April 10 – Eid-ul-Fitr April 14 – Dr. Ambedkar Jayanti	March 26 – March 30 April 06 – April 13 April 23 – April 29	
BANGLADESH		
BANK HOLIDAYS	BEACHING TIDES	
March 26 – Independence Day April 05 – Jumatul Bidah April 07 – Shab-e-Qadr April 10 – April 12 – Eid April 14 – Bengali New Year.	March 25 – March 28 April 08 – April 11 April 23 – April 26	
BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
April 04 – April 06 – Ching Ming Festival	April 10 – April 12 – Eid-ul-Fitr	April 09 – April 12 – Ramazan. April 23 – National Sovereignty & Children’s Day

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### ALANG - Port Position as of March 22, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Al Jamil	2,127	General Cargo	Arrived March 16
<b>Total Tonnage</b>		<b>2,127</b>		

### CHATTOGRAM - Port Position as of March 22, 2024

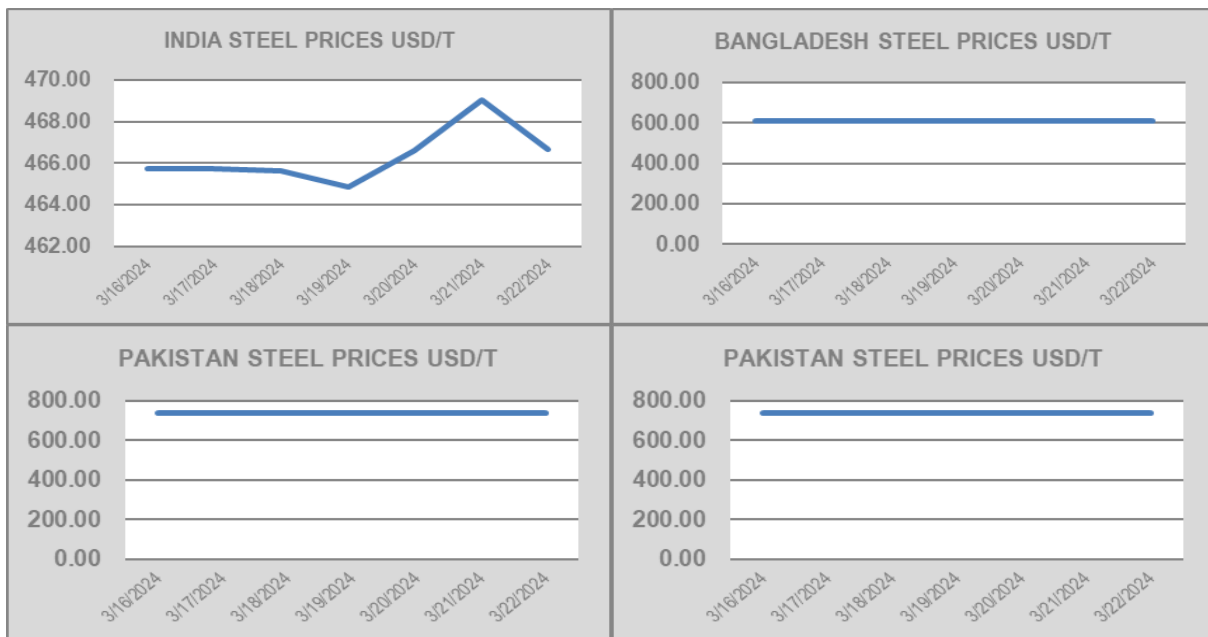
No.	VESSEL NAME	LDT	TYPE	STATUS
1	ISL Star	10,177	Bulk Carrier	Arrived March 24
2	Xin Xiang Rui	4,933	Bulk Carrier	Arrived March 13
<b>Total Tonnage</b>		<b>15,110</b>		

### GADANI - Port Position as of March 22, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Brad	16,368	Tanker	Arrived March 15
2	Rong Da Chang Sha	9,654	General Cargo	Beached March 18
<b>Total Tonnage</b>		<b>26,022</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
3/16/2024	465.73	38,600.00	736.28	208,000.00	607.32	74,700.00	340.26
3/17/2024	465.73	38,600.00	736.28	208,000.00	607.32	74,700.00	340.26
3/18/2024	465.62	38,600.00	736.28	208,000.00	607.32	74,700.00	336.19
3/19/2024	464.84	38,600.00	736.28	208,000.00	607.32	74,700.00	336.19
3/20/2024	466.63	38,800.00	736.28	208,000.00	607.32	74,700.00	336.19
3/21/2024	469.03	39,000.00	736.28	208,000.00	607.32	74,700.00	336.19
3/22/2024	466.65	38,900.00	736.28	208,000.00	607.32	74,700.00	340.12



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