

August 9<sup>th</sup>, 2024  
 Week 32  
 Volume 263, Issue 1146



**"It's never too late to start all over. Don't regret it again."**

– Unknown

## Highlights:

- State of Reality.

- India woeful.

- Diverting.

- Gloomy clouds.

- Pak - dark horse.

- Scan to download and view the GMS Weekly on our Recycling App!



## -- MARKET COMMENTARY --

### PAUSE!

The Middle East and global ship recycling markets need a serious push on the Pause button as this week the world has seen; increasing security bulletins surrounding an imminent Iranian / Hezbollah threat against Israel, the U.S. repositioning 2 aircraft carrier / destroyer fleets off the Gulf of Oman & Eastern Mediterranean leaving the entire region on high alert, PM Sheikh Hassina abruptly resign as Prime Minister of Bangladesh and flee to India in a government helicopter, Indian steel prices nosedive into the nether, all ship recycling nation currencies devalue in unison against the U.S. Dollar again, and finally, witness the top placed ship recycling destination in the world i.e. Pakistan, report no fresh arrivals at its waterfront and have nothing to show for their firmer levels, which *IS* the tragic reality of ship recycling in 2024 today. It's safe to say the world is in need of a serious break before a modicum of stability can return, not only for the sake of global peace but also for ship recycling so that our industry has a chance to revive its confidence and offer meaningful levels on fresh tonnage once again, especially as India and Bangladesh surprisingly report noteworthy arrivals at their respective waterfronts this week.

Ever since the unexpected results of India's recently concluded General Elections, local steel plate prices have collapsed by nearly USD 60/Ton and reported even further declines this week that have now left most Alang offers on dry bulk units, firmly below USD 500/LDT and only slightly above USD 500/LDT on containers. Indeed, demand and pricing from Alang have been on an entirely new level of disappointment for over 6 weeks now, despite an overall positive (for the nation) Budget that has done little to disperse India's gloomy ship recycling clouds. Making matters worse, with an additional 4, HKC compliant yards now recognized in Bangladesh, any of the slim pickings of HKC units that may come available could also be diverted away from Alang, despite an increasing number of Indian yards lying dormant over this summer / monsoon.

As such, despite tonnage offerings that remain abysmal, the resignation & departure of PM Hasina has seen jubilant scenes erupt across Bangladesh, in the face of recent violence & anger that became a staple through much of July. Now that the demands of the majority are being discussed and the domestically unpopular PM has abdicated her role, a greater degree of stability & eagerness to buy should be forthcoming from Chattogram, despite the ever-looming fears of a lack of U.S. Dollars in the country that could affect Bangladesh once again. Pakistan remains a dark horse; firm, yet passively unaggressive to fully capture the gravity of their position in the today's market, ostensibly having the firmest prices on show even for units geographically suited for India. Turkey at the far end screams "reset" amidst its devastating silence and levels that finally fell USD 15/Ton.

For week 32 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	Pakistan	<i>Picky</i>	500 / LDT	520 / LDT	530 / LDT
2	Bangladesh	<i>Uncertain</i>	490 / LDT	510 / LDT	520 / LDT
3	India	<i>Declining</i>	480 / LDT	500 / LDT	510 / LDT
4	Turkey	<i>Dead</i>	345 / LDT	355 / LDT	365 / LDT

## BANGLADESH

**SPY STORY?!**

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*PM flees.*

With a shocking and unexpected turn of events early this week that saw Prime Minister Sheikh Hasina resign from her position and flee the country to India (on her way to England) and is now vowing to return to Bangladesh and answer to what is now being labelled as political / governmental mismanagement that led to the unwarranted & unfortunate deaths of over 200 Bangladeshi citizens. Moreover, she is simultaneously creating global tensions by alleging the involvement of the U.S. Government as being the masterminds behind these recent riots to warrant her ouster in the midst of PM Hasina's refusal to side with the Americans (over India) and cede power over the sovereignty of Saint Martin Island, thereby allowing America to hold greater sway over the Bay of Bengal.

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*Aftershocks.*

Casting aside any aspersions of CIA's involvement despite their well-documented and implicit involvement in destabilizing S. American democratic nations and installing puppet communist regimes, so much of the recent violence that has plagued Bangladesh for about a month now has finally been quietened and a fragile sense of calm amidst a tense law and order situation pervades across much of the country. So much so, even the General of the Army who, under orders from PM Sheikh Hasina and oversaw much of the unfortunate violence, has also reportedly stepped down in a further attempt to let the interim government oversee the peace talks and encourage positive mediations with the various student bodies. The aftershocks from the collapse of Bangladesh's mere 7-month old government are sure to be felt in the country's immediate future, given that the ongoing / tumultuous state of political & economic affairs certainly look to impede Bangladesh's participation at the bidding tables, as a distinct sense of uncertainty & unpredictability about the leadership of the country unravels and questions about the types of intermediate priority policies (if any) that will be addressed by the incoming government first vs. just how far down the chain do economic & L/C concerns from the domestic ship recycling sector fall. For now, we can be sure to expect a shaky situation from Bangladesh until early Q4.

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*Down the chain.*

On the domestic fundamentals front, local steel plate prices opened the week at levels even lower than last (region USD 555/Ton) and remained dead on the floor for the entirety of the working week. Even the Bangladeshi Taka shook violently through the week, firming to a high of BDT 116.99 against the U.S. Dollar and ending the week just sniffing the air short of BDT 118. Notwithstanding, a few hardy buyers saw it fit to offer stronger levels and subsequently managed to snag a decent serving of Far East flavoured tonnage, thereby firmly keeping Bangladesh in the conversation on available units. With India dipping further and Bangladesh leading the fray on geographically suitable tonnage (as evident from this week's surprisingly healthy post position), it may not be all doom and gloom for Chattogram Choppers, especially as Gadani Recyclers also continue to be 'Cinderella picky' on available units – at least for the time being.

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*Sniffing!*

## INDIA

**OFF COURSE??!!**

India has slumped to the bottom of the sub-continent ship recycling rankings this week with some woeful levels emanating from Alang Buyers on the marginal number of vessels that have strayed off course and sought offers from a desolate India of late; HKC only tonnage intended for a strictly Alang re-delivery aside and despite the ongoing tonnage strike, a couple of MSC containers were quickly concluded and delivered to Indian Recyclers this week. It therefore seems unlikely that we will see any flashy sales into Alang whilst this market remains so weak on the back of steel plate prices that have collapsed by about USD 60/LDT since the failure of PM Modi's party to maintain a majority in India's recent General Election, and have fallen even further this week by USD 13/Ton. The Indian Rupee has conjointly put the pressure on the local mindset as it plummeted briefly to a record INR. 84.16 against the U.S. Dollar, eventually ending the week marginally firmer at INR 83.95 and this has put a noticeable dampener on an already fragile local psyche, local demand, and local levels that are now firmly below USD 500/LT on all Dry Bulk units and continue to re-adjust to declining domestic fundamentals every week.

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*Woeful.*

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*HALO Jump.*

Surprisingly, however, Alang's anchorage was the busiest / most impressive of all the major ship recycling destinations as despite recording fewer arrivals than Chattogram this week, Alang Recyclers managed to impressively import nearly 2.5 times the total sub-continent Light Weight as over 60K LDT was at the nation's waterfront by the end of Week 32. As reported in a recent edition of the GMS Weekly wherein vessels approaching their squeezed out end of lives and are no longer being granted extensions on their SS / DDs coupled with those units at the end of the fishing cycles in the North Seas are jointly ensuring a steady inflow of reefers / trawlers / specialty / Non-Ferrous / HKC only vessels / containers to Alang Recyclers and are keeping them afloat through a 2024 that is clearly performing a HALO jump (High Altitude Low Opening - Seal Team term) over recent weeks – and continues to do so.

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*Not viable?*

MSCs strictly HKC / Alang only policy has also helped supply Indian Buyers with juicy containers through much of 2024 and even though a healthy majority of Alang plots remain effectively dormant and continue operating at increasingly limited capacities over these summer / recent monsoon months thanks to local offerings that remain unsustainably above a rapidly declining steel plate price, an increasing number of Recyclers are now justifiably complaining about how unviable and loss-making a business ship recycling has become in 2024 and are simply unwilling to offer levels in line with the competition anymore. Far from the pre-budget and even pre-election excitement that drove Indian sentiments through the roof and even saw some impressively priced deals concluded safely, Alang Buyers and even the industry at large are now witnessing an earthquake sized shakedown that is returning the markets to their true standing, as incoming vessels could be introduced to a fresh batch of renegotiations in India in the coming weeks.

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*Renegotiation Season?*

**NO MARKET SALES REPORTED**

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## CINDERELLA PICKY!?!?

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### *Second guessing.*

In contrast to the pinching-ly low offerings that have been regularly forthcoming from Gadani Recyclers of late vs. the comparatively higher levels being fetched on the occasional fixture into Pakistan, highlights just how 'Cinderella picky' Gadani Recyclers have become on their offerings of late, especially as tonnage satiated Buyers end up offering what the Pakistani market can really afford, and this is a number that remains far above what neighboring India & Bangladesh are putting forth at this time, one that is more in line with prevailing Pakistani fundamentals and is ensuring that most vessels **of local interest** that do come the way of Pakistani Recyclers, will receive firmer than the competition (in the short term), just to snag the unit.

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### *Same old concerns.*

Confirming this mindset is the fact that Pakistan's port position remains empty for the second running week and in light of a variety of deliveries into Alang over recent weeks i.e. reefers / HKC only containers / specialist / Non-Ferrous vessels, none of which are of a Pakistani interest, all but confirms the reason why Pakistan's ship recycling lanes remained empty this week. Moreover, as competing India continues to fall week after week, Gadani Recyclers continue to second guess their own initial offerings uncertain as to whether they should even be presenting such high levels to begin with, subsequently lowering their offers despite higher opening indications being made amidst rapid news of declining levels emanating from India!

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### *Minimal available.*

As such, despite the same old questions of reliability and performance that are already rearing their heads in a competing India, Pakistani buyers are increasingly presenting themselves as being on the same declining shoestring budget as those from India just to snag a deal and this could inevitably present an opportunity for Gadani Recyclers to renegotiate on incoming units knowing that Ship Owners and Cash Buyers wouldn't have a better option whilst Indian levels continually falling themselves and especially after incoming vessels have declared themselves to Gadani authorities. Notwithstanding, we do feel the chances of this happening are very small, especially as local steel plate prices opened the week at a surprising & impressively firmer USD 724/Ton (up from the months long death knell at USD 706/Ton) and ended the week a massive USD 11/Ton higher at USD 735/Ton. Even the Pakistani Rupee that despite its share of volatility across the week, ended 18 basis points firmer than the U.S. Dollar, at PKR 278.35.

Overall, as a minimal number of recycling candidates remain available for recycling amidst impressively performing freight markets that themselves remain far above historical averages and continue to deprive global markets of recycling tonnage, Pakistan manages to remain as the pickiest of all markets and that too at the most incredulous of times, redefining the meaning of the old axiom 'if wishes were horses, beggars would ride'.

Welcome to the World of Ship Recycling.

## TURKEY

**FROM 'NO GO' ... TO 'GOIN DOWN'?**

As 2024 teenagers would likely say, this market is *'having the lulz'* on account of domestic fundamentals that declined in unison i.e. Turkish Lira declining nearly 1% to TRY 33.53 against the U.S. Dollar and steel plate prices (both incoming and domestic) declining collectively to the tune of about USD 20/Ton, having sustained domestic offerings for as high as they have been and for as long as they have remained (at levels around USD 350/Ton), local offerings finally declined by about USD 15/Ton across the board.

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*The Lulz.*

As the shortage of tonnage continues amidst prevailing regulations that disallow increasingly EU-approved batch of Aliaga Yards that can only negotiate on a certain pedigree of vessels, are now facing the worst of the ongoing recycling tonnage drought.

## BAD PUNS AND WORSE JOKES!

- *What's the award for being the best dentist? A plaque.*
- *Why can't you hear a pterodactyl go to the bathroom? Because the P is silent.*
- *Why did Mozart hate chickens? Because when he asked them for their favorite composer, they said, "Bach! Bach! Bach!"*
- *I bought sneakers from a drug dealer. I don't know what he laced them with, but I've been tripping all day!*
- *Why did the toilet paper roll downhill? To get to the bottom.*
- *What's the best name for a man who can't stand? Neil.*
- *What do you call a deer with no eyes? No eyed deer.*
- *Why are groups of fish so smart? Because they travel in schools.*
- *How much does the heaviest skeleton weigh? A skeleton.*
- *What did the drummer name her twin daughters? Anna One, Anna Two.*
- *What's big, gray and doesn't matter? An irrelephant.*
- *Why did the snowman pick through a bag of carrots? Because he was picking his nose.*
- *Why does Waldo only wear stripes? Because he doesn't want to be spotted.*
- *I witnessed an attempted murder earlier—fortunately only one crow showed up!*

## IMPORTANT DATES

INDIA		
BANK HOLIDAYS	DELIVERY TIDES	
August 15 – Independence Day August 26 – Janmashtami September 08 – Ganesh Chaturthi	August 17 – August 26 August 31 – September 06 September 15 – September 24	

BANGLADESH		
BANK HOLIDAYS	DELIVERY TIDES	
August 26 – Janmashtami September 16 – Eid Milad-Ul-Nabi	August 19 – August 22 September 02 – September 05 September 17 - September 20	

BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
<b>No holidays in August</b> September 16 – Mid-Autumn Festival	August 14 – Independence Day September 16 – Eid Milad-Ul-Nabi	August 30 – Victory Day <b>No Holidays in September</b>

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### ALANG - Port Position as of August 09, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Mersin 15	5,280	RoRo	Delivered August 03
2	MSC Annamaria	8,807	Container	Delivered August 08
3	MSC Iris	10,655	Container	Delivered August 08
4	Sovereign	30,120	LNG	Delivered August 04
5	Tropica Sky	5,358	Reefer	Arrived August 05
<b>Total Tonnage</b>		<b>60,219</b>		

### CHATTOGRAM - Port Position as of August 09, 2024

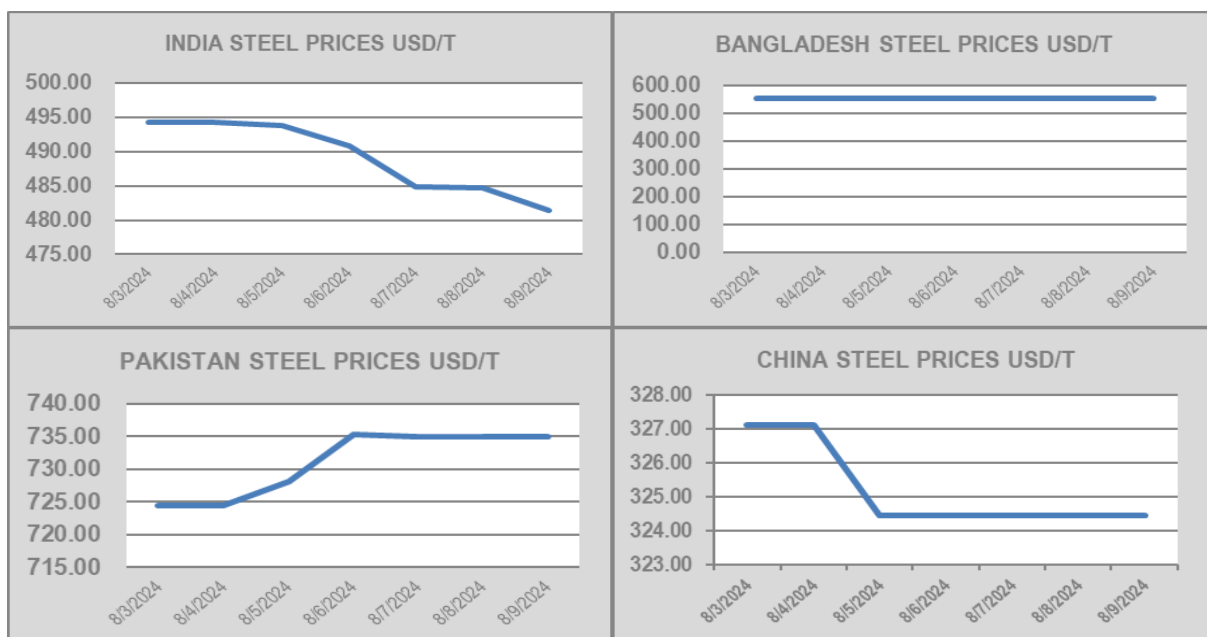
No.	VESSEL NAME	LDT	TYPE	STATUS
1	An 11	1,632	General Cargo / Container	Delivered August 07
2	An Ton	4,842	Reefer	Delivered August 06
3	APJ Mahakali	9,126	Bulk Carrier	Delivered August 04
4	Hai 351	4,352	Bulk Carrier	Arrived August 09
5	Ming Jin 1	3,278	Bulk Carrier	Arrived August 07
6	Sia 20	1,747	General Cargo / Container	Delivered August 04
<b>Total Tonnage</b>		<b>24,977</b>		

### GADANI - Port Position as of August 09, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
<b>No new vessels reported.</b>				
<b>Total Tonnage</b>		<b>-</b>		

WHILE EXTREME CARE HAS BEEN TAKEN IN THE PREPARATION OF THIS REPORT, NO LIABILITY CAN BE ACCEPTED FOR ANY LOSS INCURRED IN ANY WAY WHATSOEVER BY ANY PERSON RELYING ON THE INFORMATION CONTAINED HEREIN.

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
8/3/2024	494.33	41,400.00	724.53	202,000.00	555.56	65,000.00	327.14
8/4/2024	494.33	41,400.00	724.53	202,000.00	555.56	65,000.00	327.14
8/5/2024	493.80	41,400.00	728.12	203,000.00	555.56	65,000.00	324.48
8/6/2024	490.77	41,200.00	735.29	205,000.00	555.56	65,000.00	324.48
8/7/2024	484.81	40,700.00	735.03	205,000.00	555.56	65,000.00	324.48
8/8/2024	484.75	40,700.00	735.03	205,000.00	555.56	65,000.00	324.48
8/9/2024	481.47	40,400.00	735.03	205,000.00	555.56	65,000.00	324.48



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