

August 30<sup>th</sup>, 2024  
 Week 35  
 Volume 263, Issue 1149



“The early bird gets the worm, but the second mouse gets the cheese.”

– Steven Wright

## Highlights:

- Chaos.
- Groton attacked.
- Until 2025?
- Chinese imports.
- Predictable decline?
- Scan to download and view the GMS Weekly on our Recycling App!



## -- MARKET COMMENTARY --

### FAUDA!

Translated from Arabic, Fauda or ‘chaos’ is what unfolded across the Middle East this week as; Israeli PM Netanyahu’s vow to dismantle Hamas saw an increasing kill-rate of suspected Hamas militant leaders across Gaza that resulted in the world witnessing the counter-killings of 6 Israeli hostages whose bodies were recovered from the tunnels of Gaza, a confirmation of a one-on-one engagement of ISIS militants that hurt 7 U.S. Troops deployed in Iraq, Ukraine’s kamikaze drones upping the ante by attacking Russia’s main oil refinery, and a repeat Houthi attack on container vessel ‘Groton’ in the Red Sea that increased the volatility index for the region, one that has already driven global inflation & freight rates through the roof, and the already slim pickings of tonnage only got worse through August and presented itself at the various Indian sub-continent recycling waterfronts this week. While certainly through September and likely into Q4, the desperate question unraveling in everyone’s mind is whether this is expected to be the case through 2024 / early 2025? Interestingly, even though we have seen sub-continent ship recycling nations take independent measures to curtail the devastating state of economic affairs, one that has mercifully seen inflation decline, it is regretful to witness how “war” in the Middle East would cast a wider dragnet of global economic misery and make it that much worse for those States where the fighting is unfolding.

Meanwhile, vessel offerings have declined by about USD 60/LDT (and growing) since the peaks witnessed earlier in the year, as dry units are now seeing levels firmly below USD 500/LDT across sub-continent destinations, particularly on smaller LDT, laid up, Far-Eastern built, owned, and operated units. While there has been an overall dearth of large LDT vessels, this has likely been a relief to the Bangladeshi & Pakistani markets where L/C & banking limits for a growing number of recyclers has been getting stretched. Bangladesh has endured the most with drastic social and political upheavals that saw the untimely deaths of 100s of (mostly) students, followed by the ousting of PM Hasina, which then left the military in charge of damaging floods that have now beset the country across recent weeks that has led to a significant loss of lives. India, meanwhile, has only seen a depressive movement since the announcement of its recent budget. On the one hand, Alang recyclers remain frustrated that the freshly formed coalition government has deprioritized domestic infrastructure projects, and on the other, the ongoing import of cheap Chinese steel continues to afflict the recycling industry and led to an undercutting of prices on local inventories. As such, recyclers in Alang & Gadani remain beset by the import of cheap Chinese steel and remain in wait-and-watch mode before offering afresh on tonnage again, logically fearing further falls ahead. As a tumultuous time infects ship recycling nations, the focus should not be on buying ships, but rather, the on initiating some form of global peace in the hopes of a better tomorrow.

For week 35 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	<i>Shaky</i>	500 / LDT	520 / LDT	530 / LDT
2	India	<i>Uncertain</i>	490 / LDT	510 / LDT	520 / LDT
3	Pakistan	<i>Declining</i>	480 / LDT	500 / LDT	510 / LDT
4	Turkey	<i>Dead</i>	345 / LDT	355 / LDT	365 / LDT

## BANGLADESH



## CRUEL SUMMER!

---

*State of comatose.*

At the macro level, the industry has seen a country corner itself into a cruel & comatose state, starting with the first major decline of the Bangladeshi Taka back in May, followed by the ouster of PM Hasina, a subsequent military rule that wiped out effective communication into and out of the country (all in the name of restoring peace), and eventually being drowned in one of the most terrible flooding the country has witnessed this year, all wrapped in a bow that unfortunately describes the crumbling state of a nation that is #1 in the ship recycling world today. As a result of the preceding, little focus has been directed towards ship recycling activities of late, given the ongoing predicaments faced by the populous on a daily basis, and any levels forthcoming from any of the marginal number of local recyclers who are even willing to 'talk shop', are only tabling indications on the lower side making any local dealings, an implausible reality to such an extent that even geographically positioned units are reportedly being redirected towards competing nations, as a tonnage barren, life violent, and soaking monsoon drowns Bangladesh.

---

*Talk Shop.*

At the micro level, the financial situation seems to have been assisted by noteworthy remittances into the country across August 2024 that marked a reported 45% year-over-year rise, showcasing a strong show of support from expats who are not only sending money home to assist family through the unfolding times, but also as a show of confidence in the Interim Government. Local fundamentals however, are far from reflecting this optimism as despite the Central Bank's recent decision to introduce a 'Crawling Peg' system whereby a middle rate is set to determine the exchange rate, along with an upper and lower limit within which, the actual rate will be allowed to fluctuate and the market rate can be regulated by adjusting this middle rate (and limit) on an 'as needed' basis and in response to market dynamics, potentially stabilizing foreign exchange rates and reserves in the long term. In the interim, minor positive movements have been recorded over the last 2 weeks as the Taka firmed 10 basis points against the U.S. Dollar, closing the week at BDT 119.80. The interim government has reportedly reached out to the IMF, the African Development Bank, and the World Bank for soft loans amounting to nearly USD 5 Billion, in order to ease the pressure of massive upcoming interest payments. Steel plate prices have concurrently seen movements after months in a deathly state, albeit in the wrong direction as they fell USD 13/Ton, closing the week at about USD 542/Ton and scarily approaching the level of local offerings.

---

*'Crawling Peg' what?*

As severe flooding continues to afflict the nation, the recovery process is expected to take longer due to the extensive damage reportedly inflicted to local infrastructure and agricultural sectors. The economic impact of the flooding is currently estimated at approximately BDT 1,000 Crores (about USD 84.5 Million), which stands to present further challenges to the availability of U.S. Dollars to the ship recycling sector via fresh L/Cs, especially as reserves continue to rampantly diminish and if the requested loans don't come through. Yet, the nations' waterfront quirkily remains the busiest of all recycling destinations whereby a fresh batch of Eastern Ladies should keep buyers satisfied for a while. Overall, as market sentiments within the steel sector are being characterized by a valid hesitation, this is influencing local purchasing decisions and clearly affecting Bangladesh's ship recycling industry. Certainly, a swervy September lies in wait.

---

*Swervy September.*

---

**NO MARKET SALES REPORTED**

---

## INDIA



## FALLING IN WAKE!

Trudging through 2024s version of a historical summer slowing and a miserable monsoon across the Indian sub-continent, Alang continues falling in the ongoing wakes of; the failure of PM Modi to maintain an expected majority in the country's recent election, the failure of the recently formed coalition government to place desperately needed infrastructure projects higher on the current budget's priority list (at least until FY25 – FY26 budget is announced next year), and Alang buyers continued trudge through an economic meltdown that has cemented local offers by their feet and flung them off the deep end, resulting in vessel indications on a healthy majority of dry bulk tonnage opening up for this market, being firmly below USD 500/Ton.

---

*Declining.*

While there have been a series of reefers from the North Seas and the occasional batch of HKC / specialist units heading towards the shores of Alang, all have been doing so in the face of declining offers. Moreover, the only fixture of the week also saw the stainless-steel tanker MEDELIN EXPO (5,270 LDT) from Waruna (Indonesia), having about 275 Tons of solid SUS 316 and 469 Tons of clad stainless steel onboard, concluded for recycling at a staggering USD 653/LT LDT basis an 'as is' Belawan, Indonesia delivery - the non-ferrous onboard clearly contributing to the whopper of a price on show.

---

*SS Tankers rule!*

While this certainly highlights the fact that Alang Buyers do have an appetite for, and appreciate high-grade non-ferrous steel, they are certainly willing to pay far above what competing markets are willing to on such units, despite domestic fundamentals asphyxiating local offerings as local steel plate prices climbed and fell back to the same level they were at the start of the week and the Indian Rupee lost another 15 basis points against the U.S. Dollar, closing the week at INR 83.95, after breaching INR 84 and projected to decline further past, in the coming weeks.

---

*Gradually asphyxiating.*

Local port position is also reflecting the unfolding reality of crumbling fundamentals whereby other than a decent (given the current state of supply) dose of deliveries from recent arrivals, only 1 new vessel has arrived Alang's waterfront this week, as India stands dreadfully close to matching its Pakistani counterparts with an empty port report of its own in the coming weeks. Mercifully for Alang buyers, their Gadani competition is also re-adjusting their own levels to ensure Pakistani offers remain slightly below the already declining levels from India, and this will ensure Alang buyers remain "focussed in the recycling frame" despite being in 2<sup>nd</sup> place.

---

*"Focussed in the frame"*

## MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
MEDELIN EXPO	Tanker	5,270	USD 653/LT LDT ('as is' Belawan with 275 Ts solid SUS 316 + 469 Ts clad)



## LIGHTLESS LIGHTHOUSE!

---

15.34%

The Pakistani market remains well off the pace for yet another week, as far from offering what prevailing domestic fundamentals can have Gadani's ship recycling community truly afford, local recyclers seem unwilling to even table levels in line with competing India, as they remain far too tentative & nervous to approach the bidding tables with any fervor, invariably forcing themselves into a debilitating 3<sup>rd</sup> place in the market rankings. Moreover, despite year-over-year inflation slowing to 15.34% across August (*Source: Google Gemini*), the nation continues to struggle with liquidity issues on the back of an overall lack of U.S. Dollar reserves in the country. Making matters worse was a surprising move by the Pakistani government (in late July) that saw a national throttling in the overall speed of internet & social media services, all in the name of testing new controls to better address dissent & illegal activities across the nation while simultaneously increasing surveillance in the name of national security. Since late July, the country has unfortunately seen a slowdown of up to 40% of internet speeds nationwide that is affecting the normal flow of business and related activities, reportedly costing the country million of PKR in lost productivity across various sectors.

---

USD 703/Ton.

Further affecting the domestic ship recycling sector has been the state of local fundamentals, which, for the most part have been relatively (and even comparatively) steady as even though the Pakistani Rupee sits depreciated overall, it has remained fairly level in the high PKR 270s (closing the week at PKR 278.9) against the U.S. Dollar, while local steel plate prices, having only recently depreciated on account of increasing imports of cheaper Chinese steel, managed to close the week dead flat at USD 703/Ton, which is currently the highest across the ship recycling industry and should in itself be the reason that this market's offerings be atop the industry rankings. The only logical reason to such an unfolding performance is that all open & capable recyclers are currently satisfied with tonnage on their plots and those who are currently on the fence about concluding a unit (likely due to unfolding L/C problems) are the ones indicating levels below that of India, just to see what might stick before key Gadani buyers come alive to take a bite at the unit. Meanwhile, the lack of meaningful tonnage has certainly offered 'deliverance' to this market via a local port position that recorded an empty report this week, another first of likely many to come.

---

Turkey of the East.

As the unfortunate reality on the ground in the Middle East seems to get worse and the hunt for terrorists overshadows innocent casualties and is subsequently driving the trio of Hamas, Hezbollah, and Houthis into a vicious cycle of revenge that is not only increasing economic, health, and aid challenges to and for the region, as well as nation citizens of these groups, but the world also jointly suffers on an economical scale and indirect deaths due to rising costs are a reality for everyone today. With the ongoing attacks from the Houthis in the South resulting in increasing freight rates via rising insurance costs, voyage risks, armed crew, etc., the recycling world also starves for tonnage and Pakistan as it stands, seems destined to turn into Turkey of the East, at least for the short run.

---

**NO MARKET SALES REPORTED**

---

---

TURKEY



HELO...

Lira 19 basis points weaker than the U.S. Dollar ends the week at TRY 33.98, just sniffing the air of another record TRY 34. Import and local steel plate prices also fall as sentiment drops.

---

33.96.

See you guys next week.

## LET'S DR. DO-LITTLE THIS...

- *Tigers have striped skin, not just fur.*
- *The bumblebee bat is the world's smallest mammal.*
- *Sloths can hold their breath longer than dolphins.*
- *The smaller the animal is, the slower they can process time as their lives are generally and correspondingly shorter. For example, animals like mice or lizards will experience time differently than horses or dogs.*
- *Once a chicken lived without its head for 18 months. Yes, perhaps you've already heard of Mike the Chicken. If you haven't, you'll be surprised to find out in the 1940s, Mike survived because his jugular vein and brainstem were still connected and functioning.*
- *The world's oldest dog lived to be 29.5 years old. The Australian cattle dog named Bluey lived to be 29.5 years old when the average age for dogs is from 15 years.*
- *The oldest cat in the world lived to be 38 years and three days old. Creme Puff lived a sweet, long life when on the average, cats tend to live around 12-15 years.*
- *Octopi don't have tentacles. Their eight limbs are considered as arms.*
- *Ants do not have lungs.*
- *The Tyrannosaurus rex most likely had feathers.*
- *Snails have teeth. They can have anywhere from 1,000 – 12,000 teeth. Thank God they're slow movers.*

## IMPORTANT DATES

INDIA	
BANK HOLIDAYS	DELIVERY TIDES
September 08 – Ganesh Chaturthi	August 31 – September 06 September 15 – September 24

BANGLADESH	
BANK HOLIDAYS	DELIVERY TIDES
September 16 – Eid Milad-Ul-Nabi	September 02 – September 05 September 17 - September 20

BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
September 16 – Mid-Autumn Festival	September 16 – Eid Milad-Ul-Nabi	<b>No Holidays in September</b>

Prices indicated above are as reported in the market and are not necessarily accurate. This information is provided without prejudice and is given in good faith and without any guarantees whatsoever. While every 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. Opinions expressed herein may be deemed subjective and arbitrary. This WEEKLY is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination, or other use of this information by persons or entities other than the intended recipient is prohibited.

### ALANG - Port Position as of August 30, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Bereg Mechty (Under Tow)	7,263	Reefer	Arrived August 26
2	Ocmis Legends	2,331	General Cargo	Delivered August 25
3	Ossora	937	Fishing Vessel	Delivered August 23
4	Y Glory	7,771	Container	Delivered August 23
<b>Total Tonnage</b>		<b>18,302</b>		

### CHATTOGRAM - Port Position as of August 30, 2024

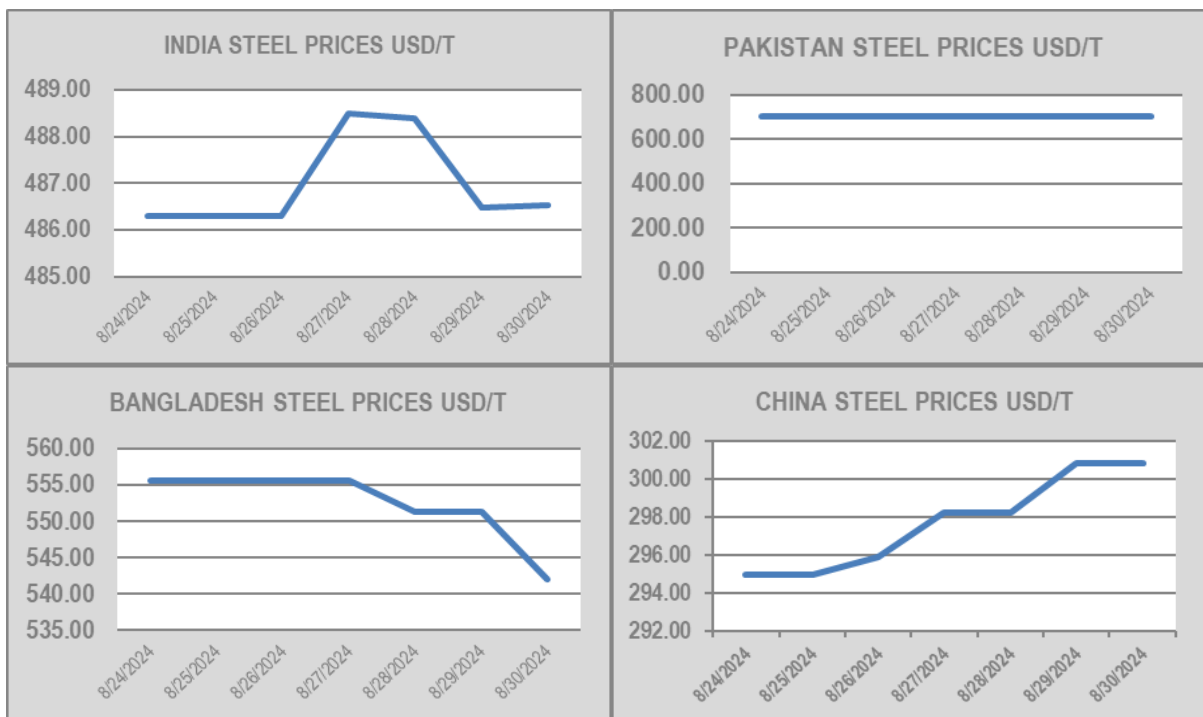
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Drago	2,314	Cement Carrier	Delivered August 28
2	Ferry Hayatomo 2	4,160	RoRo	Arrived August 30
3	Honx Da Xin 7	4,296	General Cargo	Delivered August 28
4	Nahide M	6,984	Bulk Carrier	Delivered August 27
5	Sia 21 (Under Tow)	3,958	General Cargo	Arrived August 22
6	Su Zhou Hao	5,903	RoRo	Arrived August 23
<b>Total Tonnage</b>		<b>27,614</b>		

### GADANI - Port Position as of August 30, 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
8/24/2024	486.29	40,800.00	703.01	196,000.00	555.56	65,000.00	294.99
8/25/2024	486.29	40,800.00	703.01	196,000.00	555.56	65,000.00	294.99
8/26/2024	486.29	40,800.00	703.01	196,000.00	555.56	65,000.00	295.90
8/27/2024	488.50	41,000.00	703.01	196,000.00	555.56	65,000.00	298.25
8/28/2024	488.39	41,000.00	703.01	196,000.00	551.28	64,500.00	298.25
8/29/2024	486.47	40,800.00	703.01	196,000.00	551.28	64,500.00	300.85
8/30/2024	486.53	40,800.00	703.01	196,000.00	542.02	64,500.00	300.85



[www.gmsinc.net](http://www.gmsinc.net)



[GMS\\_Leadership](#)



[GMS Leadership](#)



[snp@gmsinc.net](mailto:snp@gmsinc.net)

**Athens, Greece** Tel: +30.210.899.0669  
**Cumberland, USA** Tel: +1.301.759.9240  
**Germany** Tel: +49.40. 3197.9963  
**Shanghai, China** Tel: +86.216.075.1900  
**Singapore** Tel: +65.6823.8037

**Bhavnagar, India** Tel: +91.278.300.5253  
**Dubai, UAE** Tel: +971.4.423.0720 **Hamburg,**  
**New York, USA:** +1.240.505.9716  
**Seoul, South Korea** Tel: +82.10.4650.0720  
**Tokyo, Japan** Tel: +81.3.5453.6311