

January 24th, 2025
Week 4
Volume 268, Issue 1170

QUOTE
of the
WEEK

“Fail fast. Fail often... The most talented people in the world have bad ideas. That’s a good thing to learn.”

– Rashida Jones

Highlights:

- New Order.
- Restructuring.
- Feeling strain.
- Red Sea reopening.
- Belly dance.

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-- MARKET COMMENTARY --

POWER SHIFT!

President Trump has finally taken power this week and amidst the ongoing rhetoric / far-fetched aims of the incoming administration including a few executions i.e. withdrawal of the U.S. from the Paris Climate Accords, the WHO, and even renaming the Gulf of Mexico to Gulf of America, some rather interesting moves aimed at what will likely eventually affect the global shipping industry seem to be lining up as a focus on an ‘America First’ policy and intended wave of tariffs on China, Canada, and Mexico will clearly create volatility for the global economy. While former President Biden’s farewell sanctions on Russia / Russian Shipping and Energy firms as well as China’s COSCO Energy just prior to leaving office, has now left / will leave a growing shadow fleet (particularly of wet vessels) who will have no discernable solutions for exit from trade, or even existence when the time eventually comes). As threats of trade wars loom, global shipping already seems to be reacting in kind with the Baltic Dry Exchange falling to its lowest since February 2023, marking a clear shift towards easing freight rates as a gradually increasing number of over-aged assets have been making their way towards the bidding tables since the start of 2025. Incoming Chinese New Year holidays has predictably seen an accelerated purging of older assets from Far Eastern waters including all those coming off charter amidst declining rates. Even oil futures that rapidly rose on the back of recent U.S. sanctions, saw a minor cooling this week as levels fell to \$74 / barrel and President Trump urges Saudi Arabia to lower the price of oil whilst America’s “drill baby drill” motto trudges on.

In the meantime, fundamentals continue to remain jittery amidst a likely interest rate cut by the U.S. Feds and the U.S. Dollar continues to shake global ship recycling currencies as some impressive gains against the Dollar were registered while others continue to shatter records, in an Indian sub-continent ship recycling market that continues to feel the strain of an increasing number of candidates for a recycling sale, particularly from Panamax bulkers and now, likely containers in the near future. The imminent easing / reopening of traffic through the Red Sea shipping lanes following the truce in Gaza is likely to be bad news for many container operators who have been raking in 2024s charter highs, and this is certain to eventually see a slew of containers head for recycling after an extraordinary last few years of earnings – although experience tell us that the effects from this should take 3-4 months to filter through to recycling markets, at least with most vessels still on TCs.

Overall, sentiments remain of an eagerness that is shackled by economic uncertainty and despite an increasing supply of tonnage earmarking the present, unraveling indications have simply failed to fuel the expected volume of sales, as disappointed ship owners and cash buyers of expensive inventory reevaluate further moves as the (residual) values on their assets are just not what they were hoping to see in 2025, especially since USD 600/Ton is only a dream from a year ago. Many have been expecting 2025 to gear up to be a busier year than the last two of inertia and inactivity, despite delayed infrastructure developments that remain in the works. As Bangladeshi recyclers now risk NOC bans and prices across sub-continent markets seem unmotivated, it is likely to be just as volatile a year of unpredictable movements / events, which should in turn see prices, sentiment, and demand belly dance week after week.

GMS demo rankings / pricing for week 4 of 2025 are on Page 5.

BANGLADESH

**SHAKY...WHEN STEADY!**

Bangla focus.

The market leaders (in terms of vessel pricing) also seem to be engorging on a diet of tonnage that is not only of Far Eastern ownership, but one that is also geographically located in the same region as the nation's ship recycling waterfront reported an impressively loaded destination this week, with over 61K LDT via just 6 ships is at Chattogram's anchorage. This performance has certainly raised eyebrows given how shaky the nation's fundamentals remain at this time as not only is the Bangladeshi Taka demolishing records week after week, even ending this one 26 basis points lower and a nose hair shy at BDT 121.99 against the U.S. Dollar, but it was local steel plate prices that although have been dead on the floor at BDT 529.41 / Ton for several weeks and have invariably assisted Bangladeshi ship recyclers maintain the level of their vessel offerings during this time, this is in fact, displaying a deeper and more metastasized state of domestic affairs as steel trade between domestic ship recycling yards and local steel mills is reportedly at a virtual standstill, and it has only been a few weeks that a majority tonnage deprived Chattogram Choppers are now taking deliveries of a batch of vessels and hopefully keep trade of domestic steel rolling (pun intended).

Pun intended.

Yet, the stalling of local infrastructure projects, some of which are reportedly bloated in value while others deemed unnecessary altogether and are being re-investigated by the interim government in greater detail, an action that will further delay the nation's economic revival. As pending loans from international States and financial bodies remains hanging in the balance and the economy once again displays signs of slowing, local economists are fearing a negative growth through 2025 as a result of their economic spiral. Meanwhile, in order to stay abreast of the competition and keep the domestic ship recycling industry alive, the Bangladeshi Ministry amped up the pressure on domestic ship recyclers to initiate respective yard upgrades, in order to be prepared for the upcoming HKC deadline by the middle of the year, thereby revoking the ability of those recyclers who have failed to initiate yard upgrades by January 31st, from obtaining No Objection Certificates (NOCs) that would disbar their recycling vessel(s), entry into territorial waters for completion of a recycling delivery. Whilst the initial deadline of December 31st, 2024, was extended to January 31st, 2025, on the back of the BSBRA requesting the Ministry for an extension, the government is now reportedly digging their heels in and demanding action over extension.

Action over extension.

Notwithstanding, Bangladesh has remained the focus of much of the sub-continent's ship recycling activity over the previous week even as local offerings are gradually coming in line with their sub-continent competitors. And it is usually is geographically appropriate units that have been coming in for a recycling sale from the Far east of late and have been shifting the balance of where these units eventually end up. As Panamax bulkers have become the flavor of recent times, LNGs too have been increasingly proposed for a recycling sale, as containers are expected to eventually come down the waterslide later in the year, after a cooling in rates resulting from the re-opening of the Red Sea lanes for regular business in the wake of the Gaza ceasefire has already seen the Baltic Index cool this week. Domestic sentiments and demand, though prevalent and should be driving prices up, are in fact, still on edge as a number of unsold and more expensive, previously acquired units still in cash buyer hands are yet to find firm buying interest from this market.

Expensive and unsold

NO MARKET SALES REPORTED

INDIA



ON PAR!

Much like the state of the Bangladeshi ship recycling sector with all “get up” and barely any “go”, India remains in a state comparable to its Western counterpart, with fundamentals squeezing local offers down, despite a clear and present demand permeating from the shores of Alang - albeit it at dithered overall levels.

Deals to do.

And despite a spate of the recent negotiations at the bidding tables circling around a batch of prospective Bangladeshi candidates that have been opening up in the Far East of late, it was the receding indications on potential units from Alang buyers that saw fewer fixtures into India, as ship owners have barely gotten used to the regular offers well below USD 500/Ton. But to now see fresh indications on units even well below USD 450/Ton (after USD 600/Ton was on these very tables last January) is resulting in ship owners and even cash buyers of recent and expensively acquired units, seemingly holding off until a shade of stability and bounce back in prices is imminent, before a first batch of losses is officially recorded for 2025.

Rupee depreciation.

Moreover, unlike their Bangladeshi counterparts, Indian ship recyclers saw a clearly diminished number of arrivals at the nation’s recycling waterfront this week, albeit with one of them driving the total LDT of tonnage at Alang’s port position to well over 51K LDT. But it is the overall diminished number of vessels at Alang’s waterfront that is troublesome, given that Alang is nearly 3 times the size of Chattogram with just 1/3rd the number of vessels at the waterfront in the midst of a tonnage resurgence of late.

Meanwhile, and as stated above, fundamentals have been the prime movers behind Alang’s unfolding sentiments and subsequent vessel offers, in that, despite local steel plate prices registering an improvement in excess of USD 1.50/Ton and clocking the week out at USD 457.71/Ton, these levels remain pinching-ly at, or even above local offers in some cases, resulting in losses right off the bat. While local recyclers have been trying to stay optimistic about the future, especially with India’s budget due for announcement next week, the spate of recent deliveries, lack of interim movement in plates, and the overall dithered state of the Indian Rupee has left much to be desired. Notwithstanding, the Rupee did provide some respite as it recorded a 45-basis point recovery against the U.S. Dollar, winding the week down at Rs. 86.18.

Prime movers.

One sale was still concluded with a likely Alang redelivery as the stainless-steel tanker MARTHA OPTION (3,868 LDT) from Indonesian Sellers Waruna, was committed to cash buyers at a firm USD 660/LT LDT basis an ‘as is’ Belawan delivery and about 273 Tons of solid SS316 + 371 Tons of clad SS on board, contributing to the fantastic price on show.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
MARTHA OPTION	Tanker	3,868	USD 660/LT LDT (‘as is’ Belawan)



INCOMPLETE PLATFORM!

Matter of time.

Of all of the problems that Pakistan as a nation faces under the present times, perhaps none is as critical as the one that Gadani recyclers will face from July 1st on, once the HKC comes fully into effect by June 30th. As not even a single Gadani ship recycling yard has been ratified to operate in line with the convention thus far (despite some having obtained ISO certificates and proper access to remediation sites), the overall state of domestic ship recycling yards has some catching up to do, not only to compete with regional competitors on future HKC units once the convention is in effect, but also the ability to negotiate on vessels posts June 30th for those ship recyclers who are still not up to the mark with IACS class accreditations as well. This is will certainly curtail a healthy flow of recycling tonnage towards Pakistani waters from Q3 and probably even into Q4. The question remains, what will come of this market same time next year?

Fundamentals unreliable

For now, Pakistan remains positioned a short ways behind India and unfolding economic affairs in the country leaves the near future for Gadani's ship recycling community, stranded in despair with nothing optimistic to look forward to, especially as driving fundamentals further compress local ship recycling affairs at a time a marked supply of tonnage has greeted the industry since the start of 2025. As local steel plate prices remain stranded at USD 643.78 / Ton, inadvertently offering the illusion of stability to vessel prices that are realistically much lower, nothing has changed with the Pakistani Rupee either, as it continues to trampoline its way between PKR 277 and PKR 279 against the U.S. Dollar, winding down the week a mere 5 basis points stronger at PKR 278.54.

Trade deficit.

As the economy remains in tatters, reportedly, the nation's trade deficit with neighboring countries has surged nearly 45% over the last fiscal year, with signs indicating to a similar performance this year as well. Inflation, like in Bangladesh, is unsteady once again and a slowdown in growth through Q1 and perhaps Q2 (or until some much-needed financial aid hits government banks) can be expected from this market.

Overall, like those in the government working towards improving the economy, groundwork at the domestic ship recycling yards should be the interim focus of Gadani ship recyclers as Gadani's port position is coming up on 4.5 months of an empty report and with nearly all of January now gone and the convention being a mere 5 months away, reality might be the one to eventually put the brakes on and have Pakistan's port position fade into (temporary / permanent?) obscurity.

TURKEY



WALKS LIKE A DUCK ...

... quacks like a duck, it's probably Aliaga's ship recycling sector as Turkey has virtually disappeared from the bidding tables for well over a year and a half now. And logically so, given that EU regulations and EUSRR requirements mandate local yards to only secure tonnage primarily from EU ports, resulting in a massive slowdown of arrivals at Aliaga's waterfront. This was further exacerbated by the fact that the ship recycling price differential between Turkey and the sub-continent markets is, at minimum, USD 200/MT. And with most vessels returning towards Asian waters after discharge, has seen global ship recycling tonnage naturally shift towards sub-continent destinations, further isolating an already limping Aliaga.

Control or compunction.

Turkey's economy is another vital part of this equation, especially the Lira, as it trudges on down without any control or compunction, plummeting 57 basis points and closing the week at TRY 35.66 against the U.S. Dollar. Steel plate prices too remained shaky as both import and local steel levels reported minor movements during the week.

Overall, Turkey seems destined to be off the market report, unless further movements can be recorded through the year. And if sub-continent markets get HKC compliant by December 2025, the next year doesn't seem to be setting itself to be any better for Aliaga recyclers either.

NO MARKET SALES REPORTED

GMS Weekly – Market Rankings

For Week 4 of 2025, GMS Market Rankings / vessel indications are as below.

Rank	Location	Sentiment	Dry Bulk USD / LDT	Tankers USD / LDT	Containers USD / LDT
1	Bangladesh	Stable	450 / LDT	470 / LDT	480 / LDT
2	India	Stable	445 / LDT	465 / LDT	475 / LDT
3	Pakistan	Stable	440 / LDT	460 / LDT	470 / LDT
4	Turkey	Weak	310 / LDT	320 / LDT	330 / LDT

ODD ONES.

- *In the United States, more than 60 percent of the work force lives paycheck to paycheck. The average American is in five- to six-figure debt and often has only cursory knowledge of how they got there.*
- *In southwestern England's cheese-chasing contest, dating to at least the early 1800s, an eight-pound wheel of Double Gloucester cheese flies down a steep hill, followed by people tumbling after. The first person to reach the bottom wins.*
- *An 1843 portrait of Britain's Queen Victoria, depicting a lock of her hair falling lavishly over her uncovered shoulder, was considered too overtly sexual to be shown to the public until 1977.*
- *Recipes can't be trademarked, but some can be ruled trade secrets, like the formula for Dr Pepper or KFC's 11 herbs and spices.*
- *As many as 95 percent of the planet's fungal species have yet to be described, according to a 2023 report from Royal Botanic Garden, Kew.*
- *After 69 years in the theme park business, the Walt Disney Company opened a marquee attraction based on a Black character: princess Tiana of Tiana's Bayou Adventure, a log flume ride that replaced Splash Mountain.*
- *Globally, the number of lives lost to alcohol is about three million a year. (That's about four times more than the number of women who die of breast cancer every year.)*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	DELIVERY TIDES
January 26 – Republic Day February 02 & 03 – Vasant Panchami February 26 – Maha Shivratri	January 28 – February 04 February 10 – February 16

BANGLADESH	
BANK HOLIDAYS	DELIVERY TIDES
February 15 – Shab-e-Barat February 21 – Shahid Day February 26 – Independence & National Day	January 30 – February 02 February 14 – February 17

BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
January 28 – February 04 – Chinese New Year / Spring Festival Holiday	February 05 – Kashmir Solidarity Day	No holidays until March

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 January 24, 2025

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Medelin Master	3,852	Chemical Tanker	Arrived January 20
2	Takun (Under Tow)	47,335	Tanker	Arrived January 23
Total Tonnage		51,187		

CHATTOGRAM - Port Position as of January 24, 2025

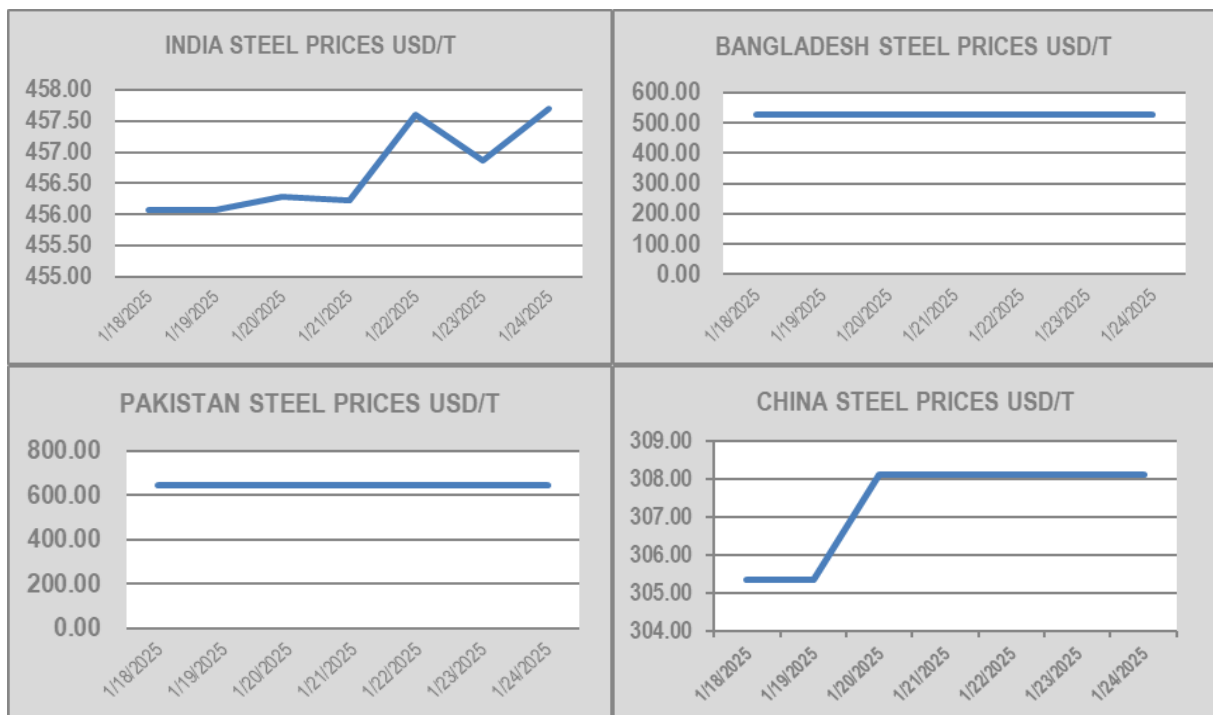
No.	VESSEL NAME	LDT	TYPE	STATUS
1	<i>Ark Progress (Dead Vessel)</i>	2,635	<i>Tanker</i>	<i>Delivered January 18</i>
2	Guo Yuan 9	9,265	Bulk Carrier	Arrived January 22
3	Jin Hau Fu	10,607	Bulk Carrier	Arrived January 16
4	<i>Mirai</i>	1,482	<i>General Cargo</i>	<i>Delivered January 24</i>
5	Mit	29,970	LNG Tanker	Arrived January 23
6	Three Star	7,627	Bulk Carrier	Arrived January 23
		61,586		

GADANI - Port Position as of January 24, 2025

No.	VESSEL NAME	LDT	TYPE	STATUS
No new vessels reported				
Total Tonnage		-		

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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
1/18/2025	456.07	39,500.00	643.78	180,000.00	529.41	63,000.00	305.38
1/19/2025	456.07	39,500.00	643.78	180,000.00	529.41	63,000.00	305.38
1/20/2025	456.28	39,500.00	643.78	180,000.00	529.41	63,000.00	308.13
1/21/2025	456.23	39,500.00	643.78	180,000.00	529.41	63,000.00	308.13
1/22/2025	457.60	39,500.00	643.78	180,000.00	529.41	63,000.00	308.13
1/23/2025	456.86	39,500.00	643.78	180,000.00	529.41	63,000.00	308.13
1/24/2025	457.71	39,500.00	643.78	180,000.00	529.41	63,000.00	308.13



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