

Pakistani yards reopen for tanker scrapping

After a ban on dismantling tanker ships, Pakistan has reopened the yards last week, possibly attracting a number of vessels for scrapping and supporting prices

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The development is a welcome news for tanker owners because it will boost competition among shipbreakers, resulting in attractive prices for shipowners



PAKISTAN'S REOPENING FOR TANKERS MEANS THE INDIAN SCRAPPAGE MARKET MAY WITNESS A REDUCED FLOW OF TANKER UNITS.

PAKISTAN has returned to the demolition market, ending a near 18-month saga for scrapyards at Gadani, which have been on the sidelines after tragic explosions on board tanker vessels.

Cash buyer GMS said that other than the issuance of No Objection Certificates, which is expected within days, nearly everything is in place for wet units to arrive at Gadani once again.

Tankers will have to be totally gas free for hot works cleaning, with all cargo residues, slops and sludges completely cleaned from all cargo and slop tanks, similar to the Indian and Bangladeshi guidelines, it said in a report.

A lot of owners will start scrapping their tankers now that the Pakistan market is being reopened, said Anil Sharma, president and chief executive of GMS, while speaking at the Interlink forum during the Singapore Maritime Week.

“Close to 40 very large crude carriers are going to be recycled this year,” Mr Sharma noted.

The uncertainty surrounding the regulations would likely have led to a flurry of tankers into the Indian subcontinent region. A reopening of Pakistan will certainly lead to more competition among shipbreakers who are likely to consequently offer attractive prices to the shipowners, the other panellists in the tanker forum agreed.

However, with Pakistan reopening for tankers once again, the Indian market may witness a reduced flow of tanker units — at least until the majority of Pakistani recyclers have filled their appetites from the available tankers.

Pakistan ordered a ban on dismantling oil and liquefied petroleum gas carriers at Gadani after explosions resulted in the deaths of a large number of workers.

Rates across the Indian subcontinent have stabilised over the past week, with tankers fetching about \$440 per ldt, dry vessels selling for about \$430 per ldt and container ships at \$450 per ldt.

Ahead of the ban, Gadani breakers splashed out on a large number of tanker vessels at high prices.

The highest price among recently reported deals was paid by Bangladeshi breakers for the medium range tanker 45,614 dwt *Platinum*, which received \$465 per ldt.

Moreover, with monsoon season and budget timelines all approaching, it may be that the recycling prices may not fully fire up until after the summer months.