

Asia Shipyards

Lockdowns in South Asia ease demo rates



Sam Chambers · April 6, 2021

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Snap Covid lockdowns this week and the impending Ramadan mean owners might have missed the boat to pick up the best ship demolition deals. Prices had risen recently to above \$500 per ldt, led by aggressive Bangladeshi scrap yards, but seven-day lockdowns have now come into place in both Bangladesh and India this week, while Pakistan has regional lockdowns in place and Turkey, the other key ship recycling centre, is also considering drastic actions to curb rising numbers of Covid infections.

Cash buyer GMS stated in a weekly report that vessel deliveries and beachings will have to be managed on a far more selective and case by case basis, rather than using the business as normal approach seen for most of this year.

"As such, as we enter a new phase of the pandemic in the global recycling markets, Ship Owners (both on an 'as is' basis to mobilize crews from countries like India) and for their delivered units, should be expecting a slower pace to activities and increased restrictions in the immediate future," GMS stated.

Allied Shipbroking, meanwhile, suggested that both demo activity and prices would weaken in South Asia on the back of the lockdown news.

Moreover, Ramadan starts next week, a period in the Muslim calendar where shipbreaking activity tends to take a break.