

Alang sees 21% increase in end-of-life ship arrivals in 2025 amid low capacity utilisation

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However, despite this, there is only 25 per cent utilisation at Alang

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Since the freight market has been doing well over the past few years, very few vessels are coming for recycling at destinations worldwide, he added | Photo Credit: VIJAY SONEJI

The year 2025 saw a 21 per cent jump in the number of end-of-life ships that came to Gujarat's Alang - one of the world's largest ship-breaking yards - for recycling. In 2025, Alang saw the arrival of 122 ships for recycling in 2025 as against 101 ships in 2024, according to market sources.

In terms of Light Displacement Tonnage (LDT) of capacity, Alang shipyard recycled 122 ships with 1.22 million LDT. In comparison, in 2024, there were 101 ships with 0.77 million LDT, said sources. LDT includes the weight of a ship's structure, machinery, and fixed equipment, excluding everything else like cargo, fuel, crew, stores, and ballast water.

"The market is better than in 2024 in terms of the number of ships, but capacity utilisation at Alang remains at only 25 per cent since the maximum recycling capacity exceeds 400 ships. This means that, theoretically, around 70 per cent of capacity is still not being used, resulting in no business for nearly 70 per cent of the yards in Alang," said Nayeem Noor, VP - Business Development, Dubai-based GMS — world's largest buyer of ships and offshore assets for recycling.

Since the freight market has been doing well over the past few years, very few vessels are coming for recycling at destinations worldwide, he added.

Despite the increase in number of ship arrival in 2025 over the previous year, Mukesh Patel, Chairman of Shree Ram Group --- one of the biggest shipbreakers at Alang --- says that the situation for shipbreakers has not improved since the last several years.

"After the Covid outbreak, the flow of ships coming to Alang to be broken has reduced. Today shipbreaking activities at Alang are at an all-time low. High freight rates have contributed to this slowdown. Shippers find it profitable to keep their ageing vessels at sea," says Patel.

Hong Kong Convention

When asked about India's preparedness of the Hong Kong Convention around the safe and environmentally sound recycling of ships, Noor said that with the Convention now in force, the difference is scale and readiness.

India has more than 110 compliant recycling yards, while Bangladesh has around 23 and Pakistan only one. That gives India a clear advantage as shipowners and cash buyers look for immediate, compliant capacity, he said. India can absorb volume without disruption, maintain documentation standards, and meet regulatory scrutiny from day one. This positions India to attract a larger share of global recycling tonnage and secure long-term commercial benefits over other recycling nations, he added.

(with inputs from Avinash Nair, Ahmedabad)

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