

# GMS reflects on the global ship recycling industry in 2023

by The Editorial Team — January 2, 2024 in Ship Recycling

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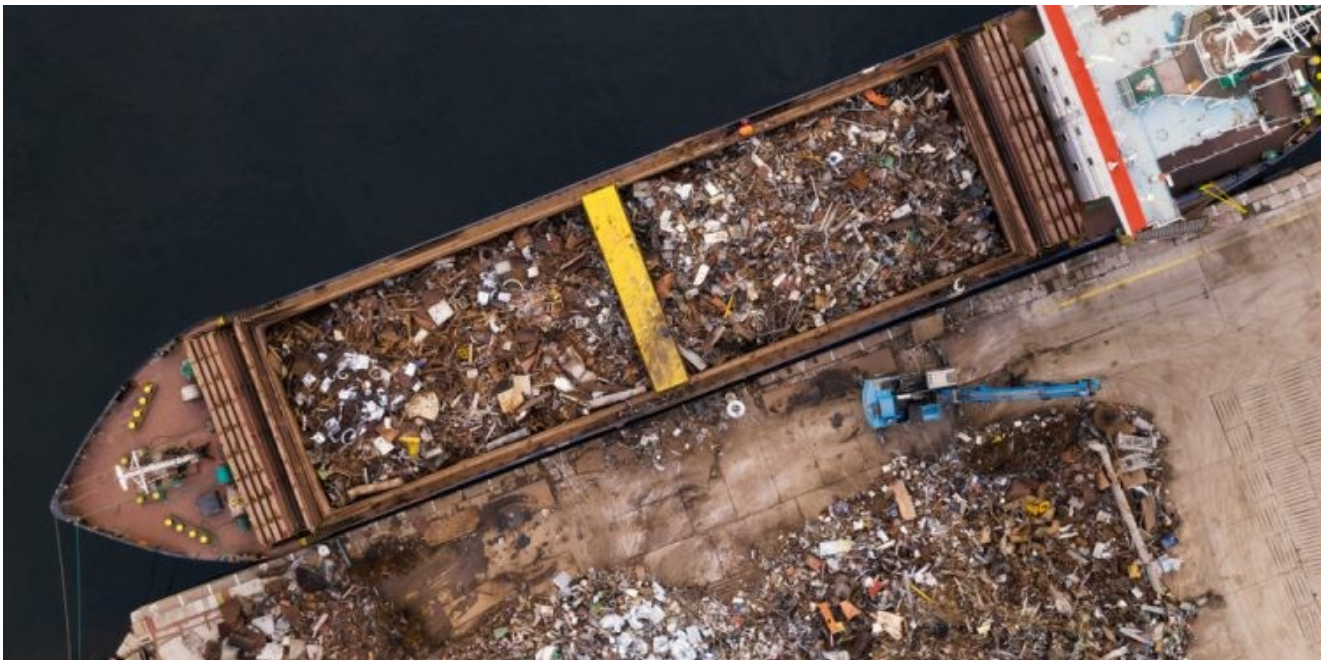


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On its latest weekly report, GMS highlights that the last week of the year delivered unto the international ship recycling community & industry overall, a ship load of mixed feelings.

On the one hand, we have seen comparatively more deals concluded in 2023 than we did in 2022, with 2022 being the weakest of years over the last decade (in

**O** terms of the volume of vessels recycled in a single year). On the other hand, despite the industry witnessing a far firmer volume of vessels recycled this year, when compared to a bloated global NB orderbook (particularly in the container sector), the recycling industry still fell short of the number of permanent exits needed in order to balance out global fleets.

According to GMS, prices too have endured a rocky ride through much of 2023, with peaks well above and into USD 600/LDT being surpassed in the first half of the year, followed by the traditional summer / monsoon collapse that saw about USD 150/LDT wiped off in a few short months during the rains and even after. Accordingly, losses sustained by most Ship Owners, Cash Buyers, & Vessel Recyclers have been particularly punishing for yet another year, as all continue to hope for brighter days for this sector and we forever bid 2023 goodbye.

As a cheat sheet on the eve of the New Year, we would like to remind our readers that financing issues continue to persist in both Pakistan & Bangladesh – with a majority of their domestic banks still unwilling to sanction fresh financing / L/Cs on new vessel purchases, even though demand has been firming and domestic yards are starting to gradually empty out.

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Moreover, there also remains cause for cautious optimism amidst international steel and commodity prices that remain firm, as many believe vessel prices to have bottomed out across the sub-continent markets. Currencies appear to have been fluctuating within an acceptable-to-positive range over recent weeks as well, all while incoming IMF loans stand to potentially alleviate a lot of the funding hurdles that are currently besetting Bangladeshi & Pakistani banks.

Rank	Location	Sentiment	Dry Bulk USD / LDT	Tankers USD / LDT	Containers USD / LDT
1	India	Weak	510 / LDT	530 / LDT	550 / LDT
2	Pakistan*	Weak	500 / LDT	520 / LDT	540 / LDT
3	Bangladesh*	Weak	490 / LDT	510 / LDT	530 / LDT
4	Turkey	Improving	340 / LDT	350 / LDT	360 / LDT

*\*Subject L/C approval*