

# Alang ship-breaking yard in Gujarat sniffs recovery; records 13% rise in ship arrivals

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After years of dwindling activity, Alang — one of the world's largest ship-breaking yard — is beginning to show signs of revival. Official data released by the Gujarat government reveals that the iconic yard has recorded a 13 percent rise in arrivals of end-of-life ships during the first five months of the current financial year (2025–26).

Between April and August 2025, 44 ageing vessels with a cumulative four lakh Light Displacement Tonnage (LDT) were beached for dismantling and recycling. This is a notable increase compared to the 39 ships and four lakh LDT recorded during the same period last year. July saw peak activity this year with 12 ships arriving — the highest monthly figure seen so far, for a yard that has weathered years of turbulence. This modest uptick offers a ray of hope for the yard, which has seen a sharp decline over the past decade. Alang's golden era was back in 2011–12, when it handled a record 415 ships. In stark contrast, only 113 ships arrived during the entire 2024–25 financial year — the lowest figure in over two decades.

During a visit to Bhavnagar on Saturday, Prime Minister Narendra Modi acknowledged the sector's potential and praised the “ship-breaking ecosystem” at Alang. He lauded its contribution to employment generation and the circular economy, especially in terms of raw material recovery and steel recycling. Despite the recent growth, industry experts caution that structural challenges remain — including stiff international competition, tightening environmental norms, and the push toward cleaner ship recycling under the Hong Kong Convention.

## No change in ground reality

Ship-breakers at Alang however feel that not much has changed on the ground. “I have two shipyards and neither of them have any ships for recycling. The situation has been dull for more than a decade and the government has not been able to help us. Currently Alang is operating at about 25-30 percent of its capacity,” a shipbreaker told *businessline* on conditions of anonymity as a firm linked to him was headed for an IPO.

Dubai-based Global Marketing Systems Inc or GMS — world's largest buyer of ships and offshore assets for recycling — attributes the extended slowdown in Alang to increased demand for ships delaying the decommissioning of end-of-life ships. Nayeem Noor, Business Development Head, GMS said, “Freight rates are strong, allowing shipowners to operate older ships profitably. When earnings from cargo operations remain attractive, owners prefer to keep vessels trading instead of retiring or selling them for recycling. This has reduced the supply of end-of-life ships reaching recycling yards, including Alang.”

Global trade disruptions and geopolitical tensions are also lengthening voyage routes. Longer routes increase the demand for ships, further delaying recycling decisions. At the same time, the international recycling market has been weak, lowering the incentive to sell vessels for recycling. Alang faces high fixed and compliance costs to meet environmental and safety norms. These requirements raise the cost of recycling compared to some competing regions. Combined with a smaller pool of available ships, these factors have contributed to a steady decline in arrivals over recent years, Noor added.

## **Strong support from govt**

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Experts like Noor believe that the government has extended “significant” support to Alang in form of customs duty cuts, reduced plot rents, lower labour cess, and reimbursement of investments of up to ₹50 lakh per yard for achieving Hong Kong Convention compliance. “Despite these efforts, competition from other ship recycling hubs is intense. Yards in neighbouring countries often face lower regulatory burdens and benefit from policies that reduce operating costs. These competitive pressures, combined with strong freight markets and delayed ship retirements, are the key reasons for the decline in arrivals, not a lack of government incentives,” says Noor.

Anand Hiremath, CEO, Sustainable Ship and Offshore Recycling Program said, “The slowdown in ship arrivals is a market cycle, but the push toward sustainability is creating new opportunities. More than 110 Alang yards are now certified to Hong Kong Convention standards, and independent audit programs are encouraging global shipowners to audit and choose these green yards. Strengthening compliance and transparency not only protects the environment and workers but also builds the trust needed to attract future recycling projects as older fleets eventually retire.”