Pakistan steals limelight as Bangladesh stays cautious

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- by Brian Reyes
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Chittagong yards are still getting to grips with the new rules ahead of the next beaching tide and sentiment remains guarded when it comes to new purchases.

“There is still evidence of latent demand in Bangladesh. However, several of the cash buyers remain sceptical about pursuing new tonnage,” said London-headquartered Clarkson Research Services.

“A great deal of cash is locked up in the inventory of vessels seeking permission to be allowed to utilise the next beaching tide. Until this is freed up, caution may be the prevailing option,” Clarksons added.

Despite this lacklustre return to the market, a couple of sales did materialise over the past week at rates on a level with the rest of the Indian subcontinent.

The 1981-built, 10,580 ldt chemical tanker Baltic I, operated by Navimar, was reported sold to a Bangladeshi buyer for $445 per ldt, or $5.7m. The rate was pushed north by non-ferrous materials on board.

In another deal to Chittagong, the 1986-built, 16,323 ldt bulk carrier Hyundai Island, operated by Hyundai Merchant Marine, was reported sold ‘as is’ in South Korea for $485 per ldt, or $7.9m.
Against that background — and with the monsoon season imminent — Indian breakers continued to dominate the demolition market, with rates hovering around the $500 mark across all vessel types.

However, it was a Pakistani buyer who stole the limelight last week. Gadani buyers have been routinely overshadowed by their Indian rivals but have nonetheless managed to pounce on choice units when these become available.

Last week, a Pakistani breaker moved in on Atomare’s 1992-built, 33,303 l/dt very large crude carrier Tulin.

The rate for the vessel was not confirmed, but was expected to be in the region of $530 per l/dt, or around $17.6m.

“While Pakistan may not always be competitive on the dry side, Bangladesh’s recent tightening of ‘gas free for hot works’ requirement may now mean Pakistan could well become the ‘go to’ choice for wet tonnage,” said CMS.

Indian breakers were also active over the past week, targeting smaller units as they moved to fill inventories ahead of the monsoon rains.

India’s most notable deal last week was the purchase of a pair of chemical tankers sold by GMA Maritime.

The 1985-built sisterships secured a premium rate because of their stainless steel content. The 7,119 l/dt Caribbean Fidelity and the 7,070 l/dt Caribbean Renaissance were reported sold at the rate of $555 per l/dt, fetching nearly $4m each.

In another deal, the 1979-built, 5,707 l/dt bulk carrier Angelia, operated by Middleburg Trading, was reported sold for delivery to Alang at the rate of $508 per l/dt, or just under $3m.

The 1985-built, 8,126 l/dt bulk carrier Bukit Timah, operated by Nob sca Shipping, was also reported sold to an Indian buyer for $508 per l/dt, or $4.1m.

There were no recent sales to report from China, where rates lag behind those on offer in the Indian subcontinent.

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