Alang scrappers starve

Ship-starved scrappers in India have been left to break up old and unpopular vessels such as fishing trawlers and the situation looks unlikely to improve as long as Indian steel prices remain depressed.

While steel prices stabilised in the past weeks at around INR 17,000 ($390) per tonne, they have now plummeted to around INR 16,000.

The fall has shattered any hope the breakers had of being able to compete with the likes of Bangladesh and Pakistan, both of which are able to offer demolition prices that are $40 to $50 higher than what the Indian breakers can afford to offer.

US-based cash buyer Global Marketing Systems (GMS) believes the situation in India is unlikely to improve soon.

"This double-pronged competitive assault is expected to put India's bids into hibernation until at least the end of the monsoon season," said GMS in its latest weekly report.

However, Alang's beaches will look slightly busier with the arrival late last week of the elusive 37,000-gt Margarita L (ex- Windsor Castle, renamed Rita, built 1960).

The ship arrived off Alang after a lengthy delivery from Piraeus that lasted several months.

The Rita may soon be joined by another veteran passengership, the 7,750-gt Beauport (built 1970), which is said to have been sold on an "as is, where-is" basis in Port of Spain, Trinidad.

The Beauport just completed a lengthy charter to the government of Trinidad and Tobago and cash buyers say extensive work required to keep it trading suggests that a one-way ticket to Alang is likely to be its next journey.

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