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## Gibson Sale & Purchase Market Report



*With over 125 years of expertise Gibson Shipbrokers is a leading provider of Sale & Purchase, Newbuildings, Recycling and Ship Valuation services.  
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### DRY CARGO – Moving Targets

Despite the recent slight softening of the BDI this has not led to any fall in activity or values, given the underlining optimism in the dry freight market. Although certainly buyers of certain sizes of tonnage reflect that buying a vessel is like trying to hit a moving target, with sellers re-evaluating their ideas day by day and sometimes electing to withdraw the vessel from the market. Only time will tell if these aggressive sales tactics will pay off in the end, certainly for many buyers their patience will be tested to the limit and they may decide to take a wait and see attitude.

The resale newastlemax "**ATLANTIC BEAR**" (210,000 dwt/blt 2021 SWS, China) gathered a fair amount of interest from the usual suspects and obtained a respectable price of US\$53m. Cido Shipping's sell off of dry bulk tonnage continues with a vengeance with reported sale of the kamsarmax "**FORTUNE IRIS**" (82,372 dwt/blt 2009 Oshima Zosen, Japan) at US\$14.85m to undisclosed buyers which is a slight step up in price level from their sale of the sister "**FORTUNE MIRACLE**" a few weeks ago to Castor Maritime, who coincidentally continues their buying binge with the purchase of the "**INSPIRATION**" (80,323 dwt/blt 2011 STX, South Korea) at US\$14.8m, which is somewhat below the level of the previously reported sale of "**R.R. AUSTRALIA**" (81,582 dwt/blt 2011 Sundong, South Korea), but maybe this can be explained by the fact that this sale has subsequently failed and owners have re-invited offers today. It will be interesting to see whether she maintains her previous level of US\$16.2m or drops to levels closer to the "**INSPIRATION**".

### TANKERS – VintAge Attrition

In a continuation of last week's older aged suezmax sales we note further transactions demonstrating the creeping decline in asset values, which comes as little surprise in the present challenging market.

Whilst rumours were already circulating on Friday that the **"NELL JACOB"** (159,999 dwt/blt 2003 Samsung) was sold, a price of US\$15.7m is now reported, which looks bleak against the **"ICARIA"** (165,293 dwt/blt 2003 Hyundai) sold mid-month to UAE interests for US\$17m. However, the value of a dry-docking at such an age can go some way to bridge this difference, when the former is due in June and the latter passed in November last year. However, **"SILIA T"** (164,286 dwt/blt 2002 Samho) is also freshly said to be sold for US\$14.9m, which does seem to attest to further erosion in pricing seen in context of the **"ICARIA"**. With few sales between in the mid-teen age group, the **"SKS SEGURA"** (158,784 dwt/blt 2007 Hyundai) is understood to have achieved US\$20m, providing a useful middle-marker between the vintage activity and 2011 built **"SUEZ FUZEYYA"** and sisters sold last week at US\$25m apiece.

The week has brought a similar volume of VLCC sales, with ADNOC furthering its VLCC ambitions with another Hunter sister ship purchase of **"HUNTER ATLA"** (300,300 dwt/blt 2019 Daewoo) joining the **"HUNTER SAGA"** and **"LAGA"** purchased in October last year, alongside their newbuilding programme. Aside of the leaseback sale of the **"NEWTON"** (307,284 dwt/blt 2009 Dalian No.2), we understand the **"BUNGA KASTURI EMPAT"** (300,325 dwt/blt 2007 Universal) has been committed for a rumoured price of around US\$30m, which although having few contemporaneous similar-aged sales to contrast with, does imply further price attrition when considering fifteen year old market benchmark ideas being previously pegged in the low-mid 30s.

## RECYCLING – Pakistan Moves up a Gear

The glut of demolition tonnage continues as owners reap the rewards of trading their vintage vessels a little longer. The effect, it seems, is now a firming of recycling rates once again, primarily from Pakistan, although we are unlikely to see a sudden rush of speculative offers from desperate cash buyers forcing the market up, but with a definite firming of price levels we do expect to see more candidates being offered for sale going forwards. Bangladesh meanwhile is still offering healthy numbers and able to procure tonnage from the East, but with Pakistan beginning to flex its muscles again they appear destined to take any available tonnage coming for sale from the West. India for now unable to compete, will have to make do with any HKC Green Recycling tonnage that comes for sale, which at present is very little.

## Gibson Sale & Purchase Market Report

### S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
<b>BULKERS</b>						
ATLANTIC BEAR	210,000	2021	SWS (CHN)	Maran Dry Management	53	
GIOVANNI BOTTIGLIERI	93,270	2009	Newyangzi (CHN)	Greek buyer	10.25	SS psd 7/19.
FORTUNE IRIS	82,372	2009	Oshima Zosen (JPN)	Undisclosed buyer	14.85	SS psd 5/19. BWTS fitted.
KINOURA	82,250	2012	Tsuneishi (JPN)	Greek buyer	18	BWTS+Scrubber fitted.
INSPIRATION	80,323	2010	STX Jinhae (KRS)	Castor Maritime	14.8	SS psd 2020. BWTS fitted.
BULK HERO	61,245	2016	Toyohashi (JPN)	Greek buyer	xs 20.5	SS diue 11/21.
ADIRONDACK + BEAUFORT	57,020	both 2010	Qingshan (CHN)	Greek buyer	9.4 each	SS psd 12/19 + 7/20. BWTS fitted.
CERULEAN PHOENIX	55,691	2009	Mitsui (JPN)	Atlantica Shipping	10.5	SS psd 9/19. BWTS fitted.

ZHONGYU 89	54,808	2010	Jiangsu Qinfeng (CHN)	Undisclosed buyer	6.98 (A)	Auction sale. SS psd 8/20. No BWTS.
ANGELIC	37,780	2014	Kanda (JPN)	Greek buyer	14.7	Logs fitted. Tier II. BWTS fitted.
CIELO DI SAN FRANCISCO	37,056	2011	Hyundai Mipo (KRS)	Undisclosed buyer	13	Semi-boxed.
FOUR AIDA	34,370	2009	SPP Tongyeong (KRS)	Undisclosed buyer	8.25	SS psd 10/19.
EDEN BAY	28,342	2008	Shimanami (JPN)	Egyptian buyer	6.3	DD due 5/21. BWTS fitted. Logger.
CONTINENTAL TAIGA	28,338	2009	Imabari (JPN)	Undisclosed buyer	6.6	DD psd 4/20.

#### TANKERS

NEWTON	307,284	2009	Dalian No. 2 (CHN)	Taiping & Sinopec FL	36	Basis 3 yrs BB back @ ave. \$22.5k pd. DD due 7/21.
BUNGA KASTURI EMPAT	300,325	2007	Universal Ariake (JPN)	Undisclosed buyer	reg 30	
HUNTER ATLA	300,300	2019	Daewoo (KRS)	Adnoc L&S	84.5	
SILIA T	164,286	2002	Samho (KRS)	Undisclosed buyer	14.9	
NELL JACOB	159,999	2003	Samsung (KRS)	Undisclosed buyer	15.7	DD due 6/21.
SKS SEGURA	158,784	2007	Hyundai Samho (KRS)	FGAS	20	
FPMC 24	49,499	2010	STX Jinhae (KRS)	Greek buyer	12	Zinc coated. SS psd 6/20. BWTS fitted.
MATTHEOS I	45,557	2004	Uljanik (CRT)	Far Eastern buyer	10.5	SS psd 12/19. BWTS fitted. IMO II.

#### CONTAINERS / RO-RO / REEFERS / PCC

VORONEZH	29,946	2008	Szczecinska (POL)	MSC	9	1728 TEU. Geared. 200 reefer.
ACACIA MAKOTO	24,279	2004	Jiangsu Yangzijiang (CHN)	MSC	6.95	1858 TEU. Gearless.
RHL AURORA	23,685	2006	Guangzhou Wenchong (CHN)	MSC	6.5	1740 TEU. Geared. SS due 6/21).

#### NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
<b>BULKERS</b>						
Global Chartering	Minicape	110,000 dwt x 4	YAMIC (CHN)	2022-2023		LOI.
Global Chartering	Kamsarmax	82,500 dwt x 6	YAMIC (CHN)	2022-2023		LOI.
Thenamaris	Kamsarmax	82,000 dwt x 2	NACKS (CHN)	2023	reg 27	Tier II.
Aston	Mini-bulker	8,000 dwt x 4	Dajin Heavy Ind. (CHN)	2023	10	
<b>TANKERS</b>						
GS Energy	VLCC	3000,000 dwt x 3	Hyundai Samho (KRS)	2022	90	Scrubber fitted. Against 10+ yrs BB to HMM.
SK Shipping	VLCC	300,000 dwt x 2	DSME (KRS)	2022	87.5	Scrubber fitted. Against 3+ yrs TC to Reliance.
Thenamaris	MR	50,000 dwt x 2+1	Hyundai Vinashin (VIET)	2022	35-36	

Petrocab	Prod/Chem	9,000 dwt x 1	DaeSun (KRS)	2023		
<b>CONTAINERS / RO-RO / REEFER / PCC</b>						
Seaspan Corporation	Containership	15,000 TEU x 5+5	Samsung (KRS)	2023-2024	140	LNG dual fuel. Against long TC to ZIM.
Zodiac Maritime	Containership	15,000 TEU x 4	DSME (KRS)	2023	109.5	Scrubber fitted. Declared options.
Grimaldi Group	RoRo	4,700 LM x 6	Hyundai Mipo (KRS)	2023-2024		2500 CEU. 2000 TEU.
Zhonggu Logistics	Containership	4,600 TEU x 6+2	China Merchants Jinling (CHN)	2022-2024	35	
Pan Continental Shipping (Pancon Line)	Containership	1,800 TEU x 1	Hyundai Mipo (KRS)	2022		Bangkokmax.

### Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
<b>PANAMAX BULK</b>						
POWER LOONG	1992 / Japan	69,618	9,800	Pakistan	440	
<b>BULK CARRIER</b>						
KT 02	1998 / Japan	47,374	7,500	Bangladesh	440	last weeks sale
KT 05	1998 / Japan	47,375	7,500	Bangladesh	440	last weeks sale
VICTORIYA	1995 / Bulgaria	41,260	9,590	Pakistan	460	

### Recycling Prices (US\$/LWT)

	Pakistan	Bangladesh	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	450/465	450/460	435/450	245/255
Dry Cargo/Bulk/Tween/Gen Cargo	435/455	435/455	425/435	240/250

### Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old
<b>Tankers</b>			
VLCC	89	65	45
SUEZMAX	59	43.5	27
AFRAMAX	48	33	21
MR	35	27	18
<b>Bulkers</b>			
CAPE SIZE	49^	28	21.5
KAMSARMAX / PANAMAX	27k^	24.5k	17k / 15.5k
ULTRAMAX / SUPRAMAX	25u^	20.5u	12k
HANDYSIZE	23.5^	16	9.5

^=Chinese price (otherwise based upon Japanese / Korean country of build)

### Indices

	C.O.B Friday
<b>BDI</b>	1675
<b>\$/Yen</b>	106.33
<b>VLCC</b>	
AG/East	29
TD3 (WS)	

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## CJC Market News



*Campbell Johnston Clark (CJC) is a medium-sized international law firm advising on all aspects of the shipping sector, from ship finance to dry shipping and comprehensive casualty handling, and all that happens in between. Today, we have offices in London, Newcastle, Singapore and Miami.*

### The UK Supreme Court Passes First Collision Ruling

This week the UK Supreme Court (the “**Court**”) passed judgment in the case *Evergreen Marine v Nautical Challenge* [2021] UKSC 6, which concerned the collision between the vessels *Ever Smart* and *Alexandra 1* in 2015. The collision occurred just outside the dredged entrance/exit channel to the port of Jebel Ali in the UAE. *Alexandra 1* was the inbound vessel standing by to enter the channel and was, although not stationary, waiting to pick up the same pilot who was at the time departing from the *Ever Smart*.

The case concerned two key questions of the construction of the International Regulations for Preventing Collisions at Sea 1972:

1. whether the crossing rules are inapplicable, or are to be disapplied, where an outbound vessel is navigating within a narrow channel and has a vessel on a crossing course approaching the narrow channel with the intention of and in preparation for entering it; and
2. whether it is necessary for the putative give-way vessel (i.e. the vessel which, if the crossing rules apply, would be required to keep out of the way of the other vessel) to be on a steady course for the crossing rules to be engaged.

The second question was considered first, as it determined whether the crossing rules were engaged. The Court held that neither the give-way vessel nor the stand on vessel had to be on a steady course for the crossing rules to be engaged. Where it is apparent to both vessels that they are approaching each other on a compass bearing that does not appreciably change and that one vessel has the other on her own starboard side, then they will be crossing so as to involve the risk of collision. This is irrespective of whether either vessel is on a steady course. It was, therefore, concluded that the crossing rules were engaged.

The Court then addressed the first question and considered the extent to which the crossing and narrow channel rules would apply to vessels which are intending and preparing to enter the channel but are waiting to enter rather than entering. It was held that such “*waiting vessels, or any vessel approaching the channel intending to enter it, which was yet to shape her course to enter it on her starboard side of it*” would be subject to the crossing rules. Therefore, *Alexander 1*, as the give-way vessel, was obliged to take early and substantial action to keep well clear of *Ever Smart*.

The High Court will now redetermine apportionment on the basis that the crossing rules applied and that the *Alexandra 1* was the give-way vessel.

## Seven Islands Shipping Seek to Limit Liability Ahead of IPO



The Indian-Canadian tanker owner has asked the High Court of Gujarat to allow it to set up a limitation fund of \$6.8m as a cap for damages and salvage costs from the deadly explosion of the 46,000-dwt Genessa (built 2000) in 2018. The legal claims made against the owner total some \$18.8m.

The owner is facing opposition from Deendayal Port Trust, whose negotiation and attempts at mediation had fallen through. The Port Trust has claims for \$18.8m against the owner and cargo owner, Bharat Petroleum, and so are against the imposition of a liability cap. Such proceedings are novel in India, with shipowners and their insurers being reluctant to pursue actions there.

This comes ahead of the owner's initial public offering of \$82m worth of equity on the Mumbai Stock Exchange. \$55m is to go to the company in order to part fund a move into the VLCC sector. The owner is also thought to be bidding for the fleet of Shipping Corp of India as the latter undergoes privatization. The accident occurred on 17 January 2018, when the vessel suffered a fire outside Kandla port on its voyage from Mumbai carrying 30,000 tonnes of diesel. Twenty six crewmembers were evacuated, with one fatality, and the two day effort to prevent the cargo igniting resulted in port operations being suspended.

## Crew Sink Tanker During Drug Raid Off Spanish Coast



Seafarers on board the Turkish-built 846-dwt Nehir (built 2015) are alleged to have purposefully sunk their vessel in order to avoid the interception of three tonnes of cocaine by the Spanish authorities. The incident occurred on Wednesday off the coast of Ribadeo in northern Spain.

Police worked with customs officials and the navy to raid the Nehir after adverse weather conditions meant the ship was unable to transfer the smuggled cocaine to smaller vessels for onward distribution to Europe.

The Guardia Civil have released video footage of the authorities boarding the tanker, followed by shots of it partially submerged underwater before it completely sinks beneath the waves in less than two hours. It appears that when the crew saw what was happening, they made the drastic decision to flood the Turkish-built vessel to avoid police interception. However, despite such efforts, the drugs were confiscated and the nine men on board were arrested before the vessel sank.

Equasis lists the manager as Salah Ali M Elhiblu of Tripoli, Libya and the last AIS signal from the tanker shows it docked in Morocco on 15th January 2021.

## Europe's Factories Raise Goods Prices Fuelling Inflation in the Eurozone



European manufacturers are passing higher input costs onto their customers, sending eurozone inflation to its highest level for almost a year as shortages of materials and soaring shipping costs disrupt supply chains.

Eurostat data released on Tuesday showed overall eurozone inflation jumped to 0.9 per cent in January, breaking a five-month spell of falling prices. Higher prices for non-energy industrial goods were the biggest factor, contributing more than 40 per cent of the year-on-year increase in inflation. Input prices for eurozone

manufacturers rose this month at a rate not seen for almost 10 years, according to the closely watched IHS Markit purchasing manager survey. The impact was felt hardest in the car, chemicals, metal and mining, resources and basic materials sectors.

As demand for many goods outstripped supply and exhausted the capacity of shipping companies, delivery times lengthened to the greatest extent since survey data started in 1997, with the exception of April 2020, when global factory closures wrecked supply lines. Shortages of many products from semiconductors to steel have again caused some manufacturers to cut back production, leaving them scrambling to rebuild stocks and unable to meet rising demand.

Rolf Habben Jansen, chief executive of container shipping group Hapag-Lloyd, said at a briefing last week that all its ships were now at sea and idle capacity in the sector was "virtually down to zero". He has forecasted that this "perfect storm" will last at least a few more months. The cost of transporting a 40ft container from China to Europe rose from about \$1,400 in March 2000 to almost \$8,000 this month, container freight data by Freightos shows, although most big manufacturers are shielded from the price rises by longer term contracts.

Manufacturers are also facing rising energy and commodity prices, after oil prices rose to their highest levels since the early days of the coronavirus pandemic with Brent crude rising above \$61 a barrel this week. Meanwhile, copper prices hit a nine-year high this month, the price of hot rolled steel in Europe reached its highest level since 2008, and the cost of polymer resins used to make plastic rose by a quarter since December to a six-year high. So far, higher raw material costs are only partially being passed on by manufacturers to customers and they are not being matched by cost inflation in other sectors.

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