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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 – Spending Spree

As another week draws to a close the list of dry sales is bulging with abundance across the sizes! The optimism and thus positive sentiment about the dry cargo market is really taking effect, as there seems to be an echoing opinion that this firming spot market is here to stay for some time! With this in mind we are seeing very healthy demand for dry acquisitions and, like any asset with limited supply, this is subsequently causing prices to rocket. These consistent increases in values are so far being supported by the healthy spot market and thus there really seems to be no end in sight to this price rally.

The "**UNITED BREEZE**" (181,325 dwt/blt 2012 Imabari Saijo) with surveys due early next year is reported sold around mid-upper US\$28m's and the "**NEW EXPEDITION**" (176,387 dwt/blt 2013 Mitsui) with surveys freshly passed mid-upper US\$27m's, both with BWTS fitted, shows a clear improvement on the recently reported "**FRONTIER ISLAND**" (181,352 dwt/blt 2011 Koyo) in the region of US\$25.3m with surveys newly passed and BWTS fitted.

"**JAIGARH**" (82,166 dwt/blt 2010 Tsuneishi) with Surveys recently passed and BWTS fitted is reported to have exchanged hands in the upper US\$16m's, which is again not only a strong price when compared to recent sales but an even better price when you factor in the forward delivery at the end of this year. This sale highlights the strong appetite from buyers with the shared belief in the bullish spot market lasting longer than just a few months with this particular buyer happy to wait to take delivery. "**NORD VENUS**" (80,655 dwt/blt 2011 Universal) with surveys due in a few months is reported sold at US\$16.85m, which is again up on the last comparable sale of the "**BACCO**" (82,188 dwt/blt 2011 Tsuneishi) reported sold for US\$15.4m with her surveys and BWTS not due until the end of this year.

TANKERS – Forced Hands

With little to rejoice about in the tanker spot market there is a perhaps unsurprising scarcity of transactions to note this week, with the on-going Xihe Holdings sell-off dominating the sales tally; first of which being another Chinese VLCC namely "**QI LIAN SAN**" (318,348 dwt/blt 2012 SWS) reportedly sold to Dynacom for US\$44m. The price looks respectable given that year older SWS built sisters "**KUN LUN SAN**" and "**WU TAI SAN**" achieved US\$35m and year younger "**JING GANG SAN**" (318,448 dwt/blt 2013 Jiangnan Changxing) achieved US\$45.25m back in November. Of course judicial sales are always largely unpredictable, but there is a general sense of values having bottomed out recently and newbuilding prices rapidly edging up means buyers may need to dig deeper in their pockets for good tonnage for forward post Covid positioning if able to look beyond present stagnation. While unclear on details, market chatter suggests the teenage "**GENE**" (299,999 dwt/blt 2003 Hyundai Samho) may be committed in excess of US\$24m towards US\$25m, which if confirmed may attest to resilience in the vintage arena as well.

In the products sector the Xihe Holding owned "**OCEAN MERCURY**" (50,353 dwt/blt 2008 SLS) has now reportedly gone to undisclosed interests for US\$10.9m. Listed as having both Dry-Docking and Special Survey not due until August 2023 the price is very underwhelming against the most recent pump-room sale of year older "**FSL OSAKA**" (45,998 dwt/blt 2007 Shin Kurushima) at US\$11.2m with SS+DD due August 2022. However, as aforementioned judicial sales can often run counter to expectation.

RECYCLING – Hot to Trot

With precious few candidates up for grabs the demo market is hotting up again as cash buyers step up their game in the hope of securing some much-needed tonnage. Sporadic sales are being reported but there is not nearly enough tonnage on the market to satisfy the growing appetite of the numerous cash buyers and their end users. That said, it appears VLCC tonnage is, however, doing the rounds with two such vessels now under negotiation. Some impressive numbers have been tabled with levels in the mid US\$480's already on offer. Getting close to or even passing the US\$500 barrier is unlikely, but sellers will no doubt try their best to achieve this. Delivery range for the buyers will be options throughout the Sub-Cont and they will be delivered 'gas free for hot works', which will help attract interest. The kind of fixing levels which once concluded will equate to something in the low US\$20m's and will surely spark the interest of other owners of large Tanker tonnage. Although India is improving, they're still unable to compete for market tonnage, therefore it will be both Pakistan and Bangladesh who will be fighting it out, but it's too soon to call who is likely to bag these VLCCs, and with a tight supply of any kind of tonnage it will be interesting to see how these two units play out and what numbers are achieved. Meanwhile there seems to be some stability emanating from Turkey where some recent Green Recycling sales are now being reported/arriving. Although not prolific, there is tonnage keeping the majority of the ship recyclers in Aliaga busy.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
BULK SWITZERLAND	181,709	2010	Imabari Saijo (JPN)	Sea Energy	26.25	SS psd 12/20. BWTS + Scrubber fitted.
XIN TAI HAI	180,346	2011	Dalian No. 2 (CHN)	Berge Bulk	21	SS + BWTS due 5/21.
UNITED BREEZE	181,325	2012	Imabari Saijo (JPN)	Undisclosed buyer	29	SS due 1/22. BWTS fitted.

NEW EXPEDITION	176,387	2013	Mitsui (JPN)	Berge Bulk	27.75	DD psd 12/20. BWTS fitted.
CAPE ARIA	176,346	2005	Universal (JPN)	Undisclosed buyer	16.8	SS psd 1/21. BWTS fitted. Dely 6-7/21.
CHENGXI CX0831 +CX0832 + CX0833+ CX0834	85,000	all 2022	Chengxi (CHN)	Yasa Shipping	28.5 each	Tier III.
JAIGARH	82,166	2010	Tsuneishi (JPN)	Undisclosed buyer	16.9	SS psd 9/20. BWTS fitted. Delivery 10-12/21.
PEAK PROTEUS	82,158	2013	Tsuneishi (JPN)	Undisclosed buyer	19.5	
YANGZE 16	82,013	2019	Jiangsu Newyangzi (CHN)	Thenamaris	26.5	BWTS fitted.
UWS 2 + UWS 3	82,000	both 2020	Yangzijiang (CHN)	Undisclosed buyer	27.4 each	Dely end 2021.
SUPER GRACE	81,629	2011	Guangzhou Longxue (CHN)	Chinese buyer	14.9	SS+BWTS due 12/21.
NORD VENUS	80,655	2011	Universal (JPN)	Castor Maritime	16.85	SS due 6/21.
WANISA	79,401	2012	Jiangsu Eastern (CHN)	Chinese buyer	13.65	SS+BWTS due 11/21.
KING PEACE	79,024	2011	Nanjing Wujiazui (CHN)	Greek buyer	10.95	SS due 6/21. BWTS fitted incl t/c till 8/21 at \$ 8,600 pd
JASMINE A	76,596	2006	Imabari (JPN)	Undisclosed buyer	11.2	SS+BWTS due 6/21.
GRACE ONE	75,563	2001	Sanoyas (JPN)	Chinese buyer	6.3	SS+BWTS due 3/21.
OCEAN EMPEROR	74,002	1998	Hashihama (JPN)	Chinese buyer	4.4	DD due 6/21. No BWTS.
NAIAS	73,664	2006	Jiangnan (CHN)	Undisclosed buyer	11.25	SS due 6/21. Dely w/in 30/7.
DIMITRIS L	73,150	2001	Jiangnan (CHN)	Chinese buyer	7.1	SS due 7/21. No BWTS.
SERENA R	63,473	2016	Yangfan (CHN)	Undisclosed buyer	19.5	BWTS fitted. SS due 7/21.
TOKYO BULKER	61,439	2012	Iwagi (JPN)	Chinese buyer	14.5	SS due 1/22.
BASIC PORTLAND	60,513	2016	Sanoyas (JPN)	Undisclosed buyer	21.5	BWTS fitted. SS due 9/21.
GLOBAL VENUS	58,635	2013	Kawasaki (JPN)	Undisclosed buyer	16.5	SS psd 6/20. BWTS fitted.
KOUYOU	58,595	2013	Kawasaki (JPN)	Undisclosed buyer	15.5	SS due 4/21.
RHL VAREZIA	56,738	2011	Taizhou Kouan (CHN)	Chinese buyer	10.1	SS due 5/21. No BWTS.
SUMMERTIME DREAM	56,104	2014	Oshima Zosen (JPN)	Sea World Management	15.5	BWTS fitted.
AMBER BEVERLEY	53,177	2011	Chengxi (CHN)	Undisclosed buyer	xs 11	SS psd 3/21. BWTS fitted.
SHEN YU 89	52,364	2003	Tsuneishi Cebu (PHI)	Wanjiang Financial Leasing	7.66	Basis 5 yrs TC back.
OCEAN HONESTY	38,276	2013	Shimanami (JPN)	Pacific Basin	14.2	SS due 7/21.
BASIC PIONEER	37,196	2011	Saiki (JPN)	Undisclosed buyer	12.5	SS due 12/21.
LONE STAR	35,866	2012	Nantong Jinghua (CHN)	Undisclosed buyer	10.6	

ATLANTIC CLOVER	33,761	2011	Shin Kurushima (JPN)	European buyer	12	SS psd 11/20. BWTS fitted.
LOWLANDS BRABO	32,280	2010	Kanda (JPN)	Greek buyer	10.4	Open hatch. DD psd 12/20.
AZUL	30,587	2007	Cochin (IND)	Undisclosed buyer	mid 7	SS psd 3/21. BWTS fitted. Open hatch.
HTK SUNRISE	29,828	2006	Shikoku (JPN)	Greek buyer	7.35	DD psd 10/20.

TANKERS

QI LIAN SAN	318,348	2012	SWS (CHN)	Dynacom	44	SS due 1/22. Xihe forced sale.
OCEAN MERCURY	50,353	2008	SLS (KRS)	Undisclosed buyer	10.9	Pump-room. Xihe forced sale.
STENA CONCERT	47,136	2004	Uljanik (CRT)	Middle Eastern buyer	xs 10	IMO II/III. Deepwell. BWTS+Scrubber fitted.

CONTAINERS / RO-RO / REEFER / PCC

CPO NORFOLK	51,727	2009	Hyundai Ulsan (KRS)	Costamare Shipping	reg 27	4255 TEU. Gearless.
CO KOBE	50,681	2008	Samsung (KRS)	Undisclosed buyer		4253 TEU. Gearless. SS due 10/21.
NORDVIOLET + NORDLILY	23,800	2015+2016	Zhejiang Ouhua (CHN)	TS Lines	18.9+19.6	1700 TEU. Gearless. SS psd 11/20 + due 5/21.
CHARLIE	23,051	2002	Szczecinska (POL)	MSC	6	1728 TEU. Geared. Sold in February.
VERONICA B	14,292	2011	Nanjing Wujiazui (CHN)	Undisclosed buyer	Euro 8.25	1085 TEU. Gearless. SS+BWTS due 4/21.
CSCL NAGOYA	12,562	2008	Nanjing Wujiazui (CHN)	Far Eastern buyer	high 5	908 TEU. Gearless. DD due 10/21.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULK CARRIERS						
Santoku Senpaku	Newcastlemax	210,000 dwt x 2	SWS (CHN)	2022	52	Yard resales.
Anglo American	Capesize	187,000 dwt x 2	SWS (CHN)	2023		LNG dual fuel.
Hunan Shunda International Logistics	Ultramax	59,900 dwt x 1	New Dayang (CHN)	2023		Domestic sea/river trade.
Shanghai Changjiang	Ultramax	59,000 dwt x 1	CM Jinling (CHN)	2023	24.6	Domestic sea/river trade.
TANKERS						
Tomasos Brothers	MR	50,000 dwt x 1+1	Hyundai Vinashin (VIET)	2022		
Xing Tong Shipping	Chemicals	7,990 dwt x 1	CM Jinling (CHN)	2022		
CONTAINERS / RO-RO / REEFER / PCC						
Cido Shipping	Containership	15,900 TEU x 2+2	Hyundai Heavy (KRS)	2022-2023	xs 126	Scrubber. Against long TC to MSC.

Chartworld Shipping	Containership	13,000 TEU x 4	New Times (CHN)	2023	105	
GAS						
Eneos Ocean	VLGC	91,000 cbm x 2	Hyundai Heavy (KRS)	2022-2023	est. 80	Against TC to Total (5 yrs) and BGN Int'l (3 yrs).
Zodiac Maritime	VLGC	91,000 cbm x 3	Daewoo (KRS)	2023	78	LPG dual fuel.
Equator Fund	LNG	45,000 cbm x 1	CM Jinling (CHN)	2023		LNT A-Box cargo containment system.
Zhuhai Wang Tong Shipping	LPG	4,225 cbm x 1	CM Jinling (CHN)	2022		

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
FPSO						
BERGE HELENE	1976 / France	274,333	39,796	as-is Singapore		HKC Green Recycling in india
AFRAMAX						
NABIIN	2002 / Japan	106,361	16,501	Sub Cont options	475	
CHEMICAL TANKER						
HARI SAGAR	1983 / Japan	7,335	2,401	Bangladesh		old sale
GENERAL DRY CARGO						
STAR GRIP	1986 / Japan	43,712	8,100	Turkey		old sale
ENIGMA	1997 / Russia	4,618	3,232	Turkey		old sale
BULK CARRIER						
ABM DISCOVERY	1992 / Japan	39,110	6,918	Pakistan		old sale
CONTAINER						
DOLE HONDURAS	1991 / Italy	16,337	8,291	India	471	HKC Green Recycling

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	475/485	470/480	455/470	260/270
Dry Cargo/Bulk/Tween/Gen Cargo	465/475	460/470	445/455	250/260

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old
Tankers			
VLCC	90 (scr)	67	46
SUEZMAX	59.5	45	30
AFRAMAX	49	34.5	22
MR	35	27	18
Bulkers			
CAPE SIZE	51^	33	26.5

Indices

	C.O.B Friday
BDI	2281
\$/Yen	108.99
VLCC AG/East	29

KAMSARMAX / PANAMAX	28k [^]	26k	18k / 16.75p
ULTRAMAX / SUPRAMAX	25.5u [^]	22u	13.75u
HANDYSIZE	24 [^]	17	12

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

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.

London Arbitration 8/21 – Are Owners Entitled To Full Demurrage Amount Where a Lower Offer Was Made but Not Responded to or Paid?



The claimant owners chartered their vessel to the respondent charterers under a fixture note evidencing the Gencon 94 form. Discharge was completed and owners subsequently invoiced charterers for demurrage amounting to US\$21,250.

Charterers failed to make payment in time and owners invoiced charterers a reduced sum for US\$18,000 however, no payment was ever received.

Owners appointed an arbitrator who became the sole arbitrator as a result of charterers’ failure to appoint theirs. Charterers took no part in the arbitration.

The issue at hand was whether owners could recover the full sum or whether they were restricted to the reduced sum invoiced.

The tribunal had to unravel the question as to why owners unilaterally stated they would accept a lower amount when charterers had not, in fact, challenged the full sum due. Further, the tribunal was not informed of any negotiations that went between the parties which led to the second reduced invoice being issued. The tribunal noted that the, “most obvious explanation” was that the owners were prepared to accept a reduced amount for prompt payment. This was, however, not expressly stated in the invoice so it could only be by way of an implied term.

The tribunal then discussed the “officious bystander” test as an explanation for implied terms. This was where a term was so obvious that it went without saying - such that if a bystander proposed such a term, both parties would naturally accept. In the present circumstance, this was owners preparing to accept a reduced sum in exchange for prompt payment.

Having said the above, the tribunal then referred to The Four Island [2019] 1 Lloyd’s Rep 643 case where it was held that a tribunal had the power to award demurrage even where parties had agreed a

sum to be paid in exchange of e-mails, but where subsequently, no payment was received by the owners from charterers. This failure to pay then came under the scope of the original arbitration clause.

Relying on the above, the tribunal held that the owners were entitled to claim the full amount under the arbitration clause of the charter and that was the amount awarded.

Claim Against Maran Tankers Over Scrapping Death to go to Trial



The High Maran (UK) Ltd ("Maran") has failed in its attempt to strike out a compensation claim brought by the widow ("Begum") of a Bangladeshi shipbreaker who died working on a vessel, known as the "ETKA", for which Maran were sub-contracted to act as operators and managers prior and up to the vessel's sale in 2017 to Hsejar Maritime Inc who subsequently sold it onto a yard in Bangladesh for scrapping. Justice Robert Jay, in July last year, had dismissed the defendant's application for a summary judgment on the basis that they were not closely enough connected with the death of the

shipbreaker for the claim to have any legal basis.

The Court of Appeal decision last week now paves the way for Begum to have her claim heard at the High Court in London. It is the first time such a claim has passed the necessary legal hurdles to go to trial. An earlier claim brought against Zodiac Maritime for injury caused to a scrap yard worker who was dismantling one of its vessels was settled out of court.

The landmark ruling could also open the flood gates to similar cases, as well as putting pressure on shipowners to ensure their vessels are safely demolished in the future.

Justice Peter Coulson, one of three appeal court judges, which heard Maran's appeal, backed the original ruling. He said: "*I consider that the duty of care alleged in this case, although faced with formidable hurdles, cannot be dismissed as fanciful ... and it would be wrong in principle to strike it out at this stage. The appellant [Maran] arguably played an active role by sending the vessel to Bangladesh, knowingly exposing workers, such as the deceased, to the significant dangers which working on this large vessel in Chattogram entailed.*"

Judge Justice Stephen Males commented: "*Maran (UK) Ltd argued that it did not control the ship's ultimate destination, there was no relationship of 'proximity' between the shipowner and [the deceased], a requirement for any duty of care, and if [the deceased] had not been killed while working on the EKTA he might just as easily have been killed or injured when working on some other ship.*"

However, Males also said that he believed the shipping company still had a duty of care: "*The defendant did not have control over working conditions in Chattogram, but it did have control over whether the claimant's husband would be exposed to the risk of death or serious injury from working on its ship. That was a foreseeable risk which the defendant created by its decision to send the vessel to be broken up in Bangladesh and is arguably sufficient, in my judgment, to create the necessary relationship of proximity.*"

New Law Bans Transportation of Toxic Chemicals in Yangtze River Basin



Enacted on 26th December 2020 and effective from 1st March 2021, the new Yangtze River Protection Law bans the transportation of a total of 228 different types of cargo that are classified as highly toxic chemicals in the Yangtze river and its basin.

Tanker owners are advised to adhere to the new environmental legislation passed by China as those caught breaching the rules could be subject to both legal action and fines. Those in breach may have their cargoes

confiscated and fines will likely range between CNY 200,000 (\$30,800) and CNY 2m (\$308,000). Company executives could also face fines and business licences may be revoked.

The total length of the Yangtze River is about 6300 km and the main waterway is approximately 2,800 km long. The new legislation will therefore impact many important ports, including some parts of Shanghai port and those of Nantong, Zhenjiang, Zhangjiagang and Jiangyin.

The decision has been taken to strengthen the protection and restoration of the surrounding ecological environment and it aims to promote the rational and efficient utilisation of resources to ensure ecological safety in the area.

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