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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 – Back on Track

With the dry cargo freight market back on an upward trajectory it's no surprise that we're seeing prices moving in a similar vein. The Japanese controlled kamsarmax **VIJAYNAGAR** (82,167 dwt/built 2010 Tsuneishi, Japan) is reported to be working in the US\$ high 23s mill range; a not too dissimilar level achieved by last week's sale of the **RANGER**, which is two years newer albeit being built in Tsuneishi Zhoushan, China. Correspondingly, the JP Morgan controlled kamsarmaxes **PEAK PEGASUS** + **PEAK LIBERTY** (82,000 dwt/built 2013+15 Tsuneishi, Japan) that were reported sold at region US\$ 23 and 25 mill respectively in June, it now appears the sale failed to materialise and we understand they have now seen offers around US\$ 25 and 28 mill each. Supramax bulkers continue to draw buyers' attention and the recently reported sale of the **BELCARGO** (58,720 dwt/built 2008) at US\$ 17 mill was no anomaly, as this price has now been endorsed by negotiations surrounding the **NEW PRIDE** (58,761 dwt/built 2009 Tsuneishi Cebu, Philippines), which has reportedly received 12 offers and is in negotiations at excess US\$ 18 mill.

### RECYCLING – Rebar Rebound

Despite some negative elements that have been creeping into the market of late, the recycling markets remain buoyant and demand is still clearly there as the supply of tonnage continues to be restricted. However, there are reports of an increasing number of tankers being discussed/sold; many on a P&C basis and occasionally there are some sales that get reported that turns things on its head. This week the Aframax **SHAFIRA 4** obtained a very firm price of US\$ 616 per LWT, which on paper is clearly an above market level, but when you factor in her specifications including having a bronze propeller and the fact she has a quantity of 18 tons of stainless steel in her tanks, and is a prompt delivery for Pakistan, it becomes clearer why she obtained a premium. For good quality Tankers the average rates today are probably around the US\$ 600 per LWT (+/-) level for both Pakistan and Bangladesh depending on age, size and specs. For dry tonnage it's in the mid/high 500s throughout

the Sub-Cont. If an increasing number of units start hitting the market, it could put pressure on prices, but for now prices are still historically firm and very attractive.

## TANKERS – Balancing Act

Another week goes by with no boons thrown to the tanker market, left only to look jealously upon the container and bulker markets enjoying stronger fundamentals. Nonetheless, asset values seem broadly insulated by newbuilding price hikes and robust recycling rates still holding up the middle.

Aframax sales have been conspicuously scarce in recent weeks, but the **SUNNY ATLANTICA** (114,895 dwt/blt 2006 Samsung) sets a useful yard stick for fifteen year old values at US\$ 15.5 mill, sold to Chinese interests, basis Special Survey and BWTS due in November equating and conforming to general price expectations. However, there is some market chatter suggesting that a 2007 Korean built VLCC is working at notably sub-market pricing, which if confirmed could upset the apple cart.

MR tankers proliferate the products side of the sale sheet this week, with the fate of the arrested and laid-up **MARVIN INDEPENDENCE** (49,988 dwt/blt 2018 Hyundai Mipo) sealed at auction to Greeks for a reported low price of US\$ 17.1 mill. However, more market orientated sales are represented with robust levels paid for **STENA IMAGE + STENA IMPORTANT** (49,700 dtw/blt 2015 GSI + CSSC Offshore Marine) at US\$ 29 mill each, bolstered by Special Surveys passed in 2h 2020 with BWTS fitted. As for older tonnage **HELLAS EXPLORER** (51,309 dwt/blt 2008 STX Jinhae) has reportedly sold in line with its price expectations of around US\$ 12.8 mill.

## Gibson Sale & Purchase Market Report

### S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
<b>BULKERS</b>						
STELLA NAOMI	180,000	2016	SWS (CHN)	Ciner Shipping Industry & Trading	44 each	Inc. 120% BCI TC to end 21/early 22, option 2 yrs.
STELLA NORA	180,000	2016	SWS (CHN)			Inc. 120% BCI TC to end 21/early 22, option 2 yrs.
DS CHARME	176,000	2011	Rongsheng HI (CHN)	Greek buyer	28	SS psd 6/21. Inc/ 89% BCI to 7/22.
OCEAN DIAMOND + OCEAN EMERALD	95,000	both 2012	COSCO Dalian (CHN)	Chinese buyer	37 en bloc	Inc. TC @ \$10k pd to 12/21-1/22.
SEACON SHANGHAI	80,811	2019	Guangzhou Huangpu (CHN)	Undisclosed	xs 35	DD due 6/22.
SHAO SHAN 5	76,500	2012	Guangzhou Huangpu (CHN)	Undisclosed	20.9 (A)	Auction sale. SS due 6/22. BWTS fitted.
NAVIOS ALTAIR 1	74,475	2006	Hudong Zhonghua (CHN)	Undisclosed	13.9	
SEA ARIRANG	71,535	1994	Hitachi (JPN)	Chinese buyer	high 6	SS due 12/21. Dely 11/21.
NORD SUMMIT	61,649	2012	Oshima Zosen (JPN)	Undisclosed	25.5	BWTS+Scrubber fitted. SS due 8/22.
ALAM MADU + ADAM MOLEK	58,000	both 2014	Toyoashi (JPN)	Meghna Marine	26 each	DD due 9+10/22.
HUA RONG 1	57,000	2012	Zhejiang Zhenghe (CHN)	Chinese buyer	19.2 (A)	Auction sale. DD psd 8/21.
SKYLIGHT	56,847	2009	Taizhou Sanfu (CHN)	Undisclosed	16.35	BWTS fitted. DD due 7/22.
CENTENARIO FORZA	56,129	2012	Mitsui (JPN)	Meghna Marine	21	SS due 4/22.
IVY DELTA	55,869	2011	I H I (JPN)	Platou Finance / Oscar Wehr	xs 20	SS psd 6/21. BWTS fitted.
NORD TRUST	55,693	2009	Mitsui (JPN)	Undisclosed	low 18	DD due 10/22.
JOSCO SUZHOU	49,416	2004	NACKS (CHN)	Undisclosed	13.5 (A)	Auction sale. LNG ready. Deepwell. DD over due 8/21.
PACIFIC PAMELA	49,061	1997	Oshima Zosen (JPN)	Chinese buyer	8	SS due 1/22.
DOREEN	35,015	2004	Kouan Shipyard (CHN)	Undisclosed	12.5	Open hatch. DD due 9/22.
<b>TANKERS</b>						
SUNNY ATLANTICA	114,895	2006	Samsung (KRS)	Chinese buyer	15.5	Ice 1A. SS due 11/21.
HELLAS EXPLORER	51,309	2008	STX Jinhae (KRS)	Greek buyer	12.8	Deepwell. IMO II/III.
STENA IMPORTANT	49,731	2015	CSSC Offshore Marine (CHN)	Chinese buyer	29 each	Deepwell. IMO II/III. SS psd 11/20. BWTS fitted.
MARVIN INDEPENDENCE	49,988	2018	Hyundai Mipo (KRS)	Greek buyer	17.1 (A)	Auction sale. LNG ready. Deepwell. DD over due 8/21.
LUTSEN	12,910	2006	Samho (KRS)	Undisclosed	6.25	IMO II. Epoxy. SS psd 8/21. BWTS fitted.
<b>CONTAINERS / RO-RO / REEFER / PCC</b>						
MP THE BRADY + MP THE GRONK + MP THE EDELMAN	68,000	all 2005	Hanjin HI (KRS)	MSC	242	5060 TEU. Gearless. 454 Reefer. Scrubber. Dely 2-4Q'22.
MP THE BELCHIK	68,000	2006	Hyundai Ulsan (KRS)	MSC	en bloc	5041 TEU Geared. 600 Reefer. Scrubber. Dely 2-4Q'22.
E. R. DENMARK	67,935	2002	Samsung (KRS)	Undisclosed	43.5	5762 TEU. Gearless. 656 Reefer. SS due 7/22.
PIRAEUS TRADER	23,732	2006	Guangzhou Wenchong (CHN)	Euroseas	25.5	1740 TEU. Geared. SS due 9/21.
FEEDER 1	23,250	2021	COSCO Guangdong (CHN)	Undisclosed	39	1750 TEU. Geared. 492 Reefer. SS psd 2/21.

### NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
<b>TANKERS</b>						
Shanghai North Sea Shipping	Shuttle	5,000 dwt x 1	Wuhu (CHN)	2023		
<b>BULKERS</b>						
Compagnie Maritime Belge	Newcastlemax	210,000 dwt +2	Qingdao Beihai (CHN)	2023	60-61*	*Declared options. Tier III. EEDI Phase 2.
Golden Ocean Group	Kamsarmax	85,000 dwt x 3	Dalian (CHN)	2023-2024	34	Dual fuel. Against TC to Equinor.
Franbo Lines	Handysize	40,000 dwt x 2	Shin Kurushima (JPN)	2023	sub 30	Tier III. EEDI Phase 3.
<b>CONTAINERS / RO-RO / REEFER / PCC</b>						
MPC Capital	Containership	5,300 TEU x 4+2	Hanjin HI (KRS)	2023-2024		LOI. Conventional fuel.
MSC	Containership	4,200 TEU x 2	Mawei (CHN)	2024		LOI. Conventional fuel.
Evergreen	Containership	3,200 TEU x 11	Huangpu Wenchong (CHN)	2023	49	Scrubber fitted.
Evergreen	Containership	2,300 TEU x 11	Huangpu Wenchong (CHN)	2023	40	Scrubber fitted.
Evergreen	Containership	1,800 TEU x 2	Huangpu Wenchong (CHN)	2023	33	Scrubber fitted.
CSBC Corp	Containership	2,800 TEU x 4	CSBC (TWN)	2023		Scrubber fitted.

#### Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/wt)	Notes
<b>LNG</b>						
SOUTH ENERGY	1980 / USA	72,561	30,000	Bangladesh	720	High Aluminium content
NORTH ENERGY	1983 / Japan	67,005	32,000	Bangladesh	710	High Aluminium content
<b>SUEZMAX</b>						
SEA GLAMOUR	2000 / Korea	147,093	23,267	Bangladesh	603	Gas Free for Hot Works
<b>AFRAMAX</b>						
SHAFIRA 4	1995 / Korea	95,416	16,494	Pakistan	615	Gas Free for Hot Works / promptly / large Prop / 1st St-St

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

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	595/630	590/600	580/590	290/300
Dry Cargo/Bulk/Tween/Gen Cargo	585/595	580/590	570/580	280/290

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

	Newbuild	5 Year Old	10 Year Old
<b>Tankers</b>			
VLCC	104	72	48
SUEZMAX	72	48	33
AFRAMAX	58	40	26
MR	39	28.5	19
<b>Bulkers</b>			
CAPE SIZE	60 <sup>a</sup>	40	33.5
KAMSARMAX / PANAMAX	34.5 <sup>a</sup>	32k	23.5k/22p
ULTRAMAX / SUPRAMAX	33.5 <sup>a</sup>	30.5u	21s
HANDYSIZE	28.5 <sup>a</sup>	25	18

<sup>a</sup>Chinese price (otherwise based upon Japanese / Korean country of build)

#### Indices

	C.O.B Friday
BDI	3864
S/Yen	109.89
VLCC AG/East TD3 (WS)	35

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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.*

### CSSC shipyard starts sea trials for first LNG VLCC for COSCO



China State Shipbuilding Corporation Limited's (CSSC) first liquefied natural gas dual fuelled very large crude carrier for COSCO Shipping began sea trials recently. The vessel is 332.6 metres long and has a deadweight tonnage of 318,000. The vessel is a dual fuelled VLCC and uses LNG as its main fuel which is further supplemented by fuel oil. The vessel is also equipped with dual-fuel generators and dual-fuel boilers.

At the outset, reports state that the VLCC was ordered as a standard fuel ship in 2017 but the contract was later revised in January 2020 by COSCO so that the vessel would utilise LNG as its main fuel.

The vessel is reportedly capable of a filling rate of 1500 cubic meters per hour and has an endurance of 12,000 nautical miles in gas-mode. In addition, the combined endurance of both fuel oil and gas is 24,000 nautical miles. Furthermore, CSSC states that during a voyage, the daily gas consumption of LNG is around 60 tons while the daily fuel oil consumption is about 74 tons.

The shipbuilder stated that many of the systems and materials used were a first. Hence, in the initial stages of construction, the shipbuilder held several technical training and exchange meetings which

laid a solid foundation for personnel involved in construction. Moreover, before the sea trial was gone ahead, the company was in active communication with the shipowner so that full preparations were made to ensure the smooth completion of the sea trial.

The vessel is the world's first LNG fuelled VLCC and will be handed to COSCO Shipping Energy Transportation upon completion. Industry watchers note that VLCC owners are in swift move to order vessels with alternative fuel capabilities in recent times. It is reported that near to half the 71 VLCCs currently on order are LNG dual-fuelled or have LNG / ammonia retrofit capabilities.

### **MAD Atelier International BV v Manes [2021] EWHC 1899 (Comm)**

The recent reforms to witness evidence implemented by Practice Direction 57AC ("PD 57AC") are a significant development in commercial litigation in shaping how parties must prepare their witness evidence for trial. This decision is of interest because it is the first reported judgment considering the Court's powers under PD 57AC.

In 2015, MAD International (the "Claimant") and Mr Manes (the "Defendant") created a joint venture agreement (the "JVA") to develop an international franchise of restaurants. The Claimant alleged that the Defendant had fraudulently induced transactions that led to the termination of the JVA and claimed damages for fraud and hypothetical loss of profits.

The Defendant applied to strike out parts of the Claimant's supplemental witness statements (which addressed the quantum of damages claimed) under paragraph 5.2(1) of PD 57AC, on the grounds that they were in breach of:

1. **Paragraph 3.1 of PD 57AC** because they were not limited to facts which needed to be proved at trial; and/or
2. **Paragraph 3.6 of the Appendix to PD 57AC** because they sought to argue the case and/or contained "matters of belief, opinion or argument about the meaning, effect, relevance or significance of other evidence".

The Judge (Sir Michael Burton GBE) dismissed the Defendant's application. His starting point was that: *"the new Practice Direction does not change the law as to admissibility of evidence or overrule the directions given by the previous authorities ... as to what may be given in evidence."* Emphasis was placed on the flexibility of the Court's approach to the contents of witness statements as set out in *JD Wetherspoon plc v Harris [2013] 1 W.L.R. 3296*, and on the discretionary nature of the Court's power when deciding whether to strike out witness statements under PD 57AC.

The Court held that the test is one of admissibility at trial as set out in Paragraph 3.1(2) of PD 57AC which provides that, in addition to matters of fact, a witness statement may include evidence which "the witness would be allowed to give in evidence in chief, if they were called to give evidence at trial..." Reference to documents in a witness statement also does not necessarily amount to inadmissible "commentary" because paragraph 3.2 of PD 57AC requires the identification of documents to which the witness has been referred for the purposes of giving their statement.

In summary, this recent judgment provides:

1. Guidance that the recent reforms were not intended to vary the rules on the admissibility of evidence or overrule previous authority on what may be given as evidence.

2. A reminder that, where a witness has relevant knowledge and experience, their opinion may be admissible, including in respect of hypothetical and counterfactual scenarios.
3. An early indication that the courts will take a robust and common-sense approach to the implementation of the new reforms.

## **NYK and Orca AI partner to bring us one step closer to autonomous cargo vessels**



Beginning on 30<sup>th</sup> August 2021, a trial of Orca AI's Automatic Ship Target Recognition System is being carried out aboard one of Nippon Yusen Kabushiki Kaisha's group vessels (NYK).

MTI Co. Ltd partnered on installing the software on the ship, which includes a new lookout support system designed to identify and alert crew of hazards which may otherwise be missed by the human eye.

Orca's AI navigation and collision avoidance system will automatically identify dangerous targets and other vessels by using vision sensors, thermal cameras and an integrated AI-powered algorithm which is designed to constantly analyse the environment. Information from these devices is then neatly collated on a tablet or touch screen monitor so that crew can be quickly informed of potential hazards. Of particular note is the system's ability to recognize small vessels or marker buoys which are not captured by radar and which do not have AIS.

In an industry which sees over 4000 casualties annually, Orca's Automatic Ship Targeting Recognition System is a promising endeavour to reduce the number of marine accidents each year.

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