

**CJC Exchange** is a weekly newsletter from **Campbell Johnston Clark**, incorporating with kind permission from **Gibson Shipbrokers** the most recent issue of the Gibson Sale & Purchase Market Report. A blend of market intelligence and relevant industry news, CJC Exchange is distributed free of charge to parties on the CJC mailing list who have given permissions to receive S&P updates from CJC. CJC Exchange is available to new subscribers [here](#).

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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 – China Clout

This week's slide in the BDI, albeit predominantly capesize driven, has not dampened buyers' ardour for dry cargo vessels and this week's sales illustrate a continued firming in prices. The slight dip in panamax freight rates has not deterred the buyers of the "**CORAL AMETHYST**" (78,092 dwt/blt 2012 Toyohashi, Japan) paying an eye watering US\$16.3 m basis no BWTS, the same aged sister "**CORAL AMBER**" with BWTS fitted was sold at the end of last year at US\$14.5 m. Undoubtedly strong competition for this ship can be attributed to the effective US\$2m price differential. Chinese buyers figure heavily as the destination of many sales, obviously making some serious moves prior to the advent of their New Year and this is apparently the case with the sale of kamsarmax "**KEY EVOLUTION**" (83,416 dwt/blt 2011 Sanoyas, Japan) at US\$16m basis SS/DD passed and BWTS fitted, this vessel was reported sold in December for US\$14.7m but the sale failed to materialise.

Contrary to the larger size indices we have seen a steady increase the supramax index and this is certainly reflected by the large number of ultramax and supramax sales being reported and again Chinese buyers feature prominently, but the stand out sale is that of the ultamax "**DAIMONGATE**" (63,496 dwt/blt 2017 Iwagi, Japan) at US\$22m; the last comparable sale was that of the year older "**RED DAISY**" at the end of last year at US\$18.6m.

### TANKERS – Suezmax Slide

Cracks are beginning to appear in the tanker newbuilding-resale market as some owners struggle to perform and take delivery of their new ships. Finance will be difficult with the weak spot market and without the support of time charters at attractive levels, cash is king. The strength of Euronav has demonstrated exactly that this week by picking up two scrubber fitted suezmax resales from Daehan Hull Nos **5057** + **5058** (158,000 dwt/blt 2022 Daehan) at a reported US\$56.35m each. The contracts

were originally placed by Yasa for around US\$61m per vessel and we understand a 5% deposit was placed on each.

Vintage VLCCs are still finding buyers as we hear Oaktree has sold the sisters, **"EAGLE VIRGINIA"** + **"EAGLE VERMONT"** (306,999 dwt/blt 2002 Hyundai Ulsan) for around US\$50m enbloc, which is in line or a touch more than last done.

There is pressure on values in the older product sector as we hear the pumproom **"UNDINE"** (47,973 dwt/blt 2007 Shin Kurushima) has been sold to a Middle Eastern buyer at US\$9.75m, which is a step down from the one year older **"ARDMORE SEA MARINER"** (45,726 dwt/blt 2006 Minami Nippon), which sold at US\$10m in December and also had BWTS installed.

## RECYCLING – Mixed Sentiments

There has been noticeably less activity from the recycling markets this past week on the back of weakening price levels. Some owners who were looking to dispose of their old ladies have temporised selling in the hope of a bounce back, whilst others are still holding out for improved offers, which are not exactly forthcoming at present. In spite of recent downward pressure on prices, behind the scenes there is still the potential from some buyers to pay up for good quality tonnage, as can still be evidenced from Bangladesh, and the chances are that if this quiet period continues then we will likely see more stability and a gradual firming of rates going forwards.

## Gibson Sale & Purchase Market Report

### S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
<b>BULKERS</b>						
HAN FU STAR	176,000	2012	Rongsheng H. I. (CHN)	N.G. Moundreas	18.3	SS+BWTS due 12/21.
ASL MARS	175,086	2004	SWS (CHN)	Undisclosed buyer	10	
KEY EVOLUTION	83,416	2011	Sanoyas (JPN)	Undisclosed buyer	16	SS+BWTS psd 12/20.
UNA MANX	82,000	2021	Tsuneishi Zhoushan (CHN)	Chinese buyer	29.5	
PANTERA ROSA	78,844	2009	Sanoyas (JPN)	Chinese buyer	13.2	SS psd 10/19. BWTS fitted.
CORAL AMETHYST	78,092	2012	Toyohashi (JPN)	Castor Maritime	16.3	DD psd 8/20. No BWTS.
PIREAS + THESSALONIKI	76,598	both 2006	Imabari (JPN)	Castor Maritime	10.3 each	BWTS fitted. SS due 6/21. No BWTS.
NICOS L	73,193	2002	Jiangnan (CHN)	Chinese buyer	6.4	
SBI VIRGO	63,629	2017	Chengxi (CHN)	Eagle Bulk	\$15 + shares	BWTS + Scrubber fitted. Dely 2q21.
DAIMONGATE	63,496	2017	Iwagi (JPN)	ADNOC	22	DD psd 8/20.

GH SEABISCUIT	63,272	2016	Jiangsu Hantong (CHN)	Chinese buyer	17.7	SS+BWTS due 5/21.
TAIZHOU SANFU SF180102	63,200	2021	Taizhou Sanfu (CHN)	Undisclosed buyer	xs 23	Tier III. Dely 5/21.
ORIENT AMABIE	61,393	2013	Imabari (JPN)	Undisclosed buyer	16.5	SS psd 7/20. BWTS fitted.
DENSA JAGUAR	57,637	2012	STX Jinhae (KRS)	Chinese buyer	10.75	SS+BWTS due 1/22.
NORDIC HARBIN	56,811	2011	Yangzhou Guoyu (CHN)	Undisclosed buyer	8.8	SS+BWTS due 8/21. Tier II ME, Tier I Aux.
MIGHTY OCEAN	56,083	2007	Mitsui (JPN)	Chinese buyer	8.45	SS psd 6/20. Waived inspection .
SHEFFIELD PETERBOROUGH	55,585 55,517	2010 2009	Hyundai Vinashin (VNM) Hyundai Mipo (KRS)	Chinese buyer	18.5 enbloc	SS psd 1/20. BWTS fitted. SS psd 9/19. BWTS fitted.
ALMASI	52,342	2001	Tsuneishi (JPN)	Chinese buyer	5.35	SS+BWTS due 9/21.
EVER LOADING	52,261	2001	STX Jinhae (KRS)	Chinese buyer	4.8	SS+BWTS due 6/21.
BENE	50,212	2001	Mitsui (JPN)	Turkish buyer	5.125	SS+BWTS due 8/21.
SMART TINA	38,850	2015	Taizhou Kouan (CHN)	Total Shipmanagement	mid-high 11	Box hold. SS psd 3/20. BWTS fitted.
LAST TYCOON	34,569	2012	Shanhaiguan (CHN)	Undisclosed buyer	7.9	No BWTS.
<b>TANKERS</b>						
EAGLE VIRGINIA + EAGLE VERMONT	306,999	both 2002	Hyundai Ulsan (KRS)	Undisclosed buyer	50 en bloc	
DAEHAN HULL NO 5057 + 5058	158,000	both 2022	Daehan (KRS)	Euronav	57.5 each	Scrubber fitted.
NAVIG8 TOPAZ	49,561	2016	STX Jinhae (KRS)	Navig8	30.7	Chemicals . Declared purchase opt' dely 7/21.
UNDINE	47,973	2007	Shin Kurushima (JPN)	Middle Eastern buyer	9.75	Pump-room. BWTS fitted.
OLMECA	15,472	2003	Fukuoka (JPN)	Chinese buyer	5.25	Stainless steel. DD due 8/21. Renamed.
ASAVARI	13,094	2009	Sekwang (KRS)	Far Eastern buyer	low 6	Marineline . DD due 12/21.
HAI ZHI XING 998	11,000	2013	Linhai Hongsheng (CHN)	Chinese buyer	reg 10 (A)	Auction sale.

						Epoxy IMO II.
CONTAINERS / RO-RO / REEFERS / PCC						
BF MAHIA + BF OSPREY	34,350	both 2008	Jiangsu Yangzijiang (CHN)	MSC	11.3 each	2500 TEU. Geared.
HANSA CLOPPENBURG + HANSA DRAKENBURG	23,400	2007	Guangzhou Wenchong (CHN)	US buyer	15.5 en bloc	1732 TEU. Geared.
EASLINE NINGBO	20,367	2003	Guangzhou Wenchong (CHN)	Greek buyer	3.5	1400 TEU. Geared.
TCI VIJAY	13,760	2006	Jiangdong (CHN)	Greek buyer	5	1118 TEU. Geared. SS due 9/21.
TRINITY + TRIUMPH	12,600	both 2007	Kyokuyo (JPN)	Star Ocean	6.5 each	907 TEU. Geared.

#### NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
Huachen Leasing	Kamsarmax	85,000 dwt x 2	Shanhaiguan (CHN)	2022		
Ningbo Juhe Logistics	Kamsarmax	82,000 dwt x 1+1	Nantong Xiangyu (CHN)	2023		
Chizhou Jiuhua	Kamsarmax	82,000 dwt x 1+1	Nantong Xiangyu (CHN)	2023		
Guangxi Jinhang	Kamsarmax	82,000 dwt x 1+1	Nantong Xiangyu (CHN)	2023		
Enesel	Ultramax	61,000 dwt x 2	DACKS (CHN)	2022		
TANKERS						
Tamba Kisen	MR	50,000 dwt x 1+1	Hyundai Vinashin (VIET)	2022	32.5	
CONTAINERS / RO-RO / REEFER / PCC						
Shoei Kisen (long TC to Evergreen Marine)	Container	15,000 TEU x 10	Imabari (JPN)	2023-2024	est 115	Scrubber fitted.
Evergreen Marine	Container	15,000 TEU x 5	Samsung (KRS)	2023	est 115	Scrubber fitted.
Evergreen Marine	Container	15,000 TEU x 5	Hudong + Jiangnan (CHN)	2023		Scrubber fitted.
Wan Hai Lines	Container	3,013 TEU x 12	JMU-Nihon (JPN)	2022-2023	47.1	
CU Lines	Container	1,930 TEU x 2	Guangzhou Wenchong (CHN)	2022		
Ruiyang Shipping	Container	1,800 TEU X 8+4	Yangzijiang (CHN)	2022-2023	23	
Cosmoship	Container	1,500 TEU x 2+2	Guangzhou Wenchong (CHN)	2022-2023		
GAS						
KSS Line	LPG	91,000 cbm x 1	Hyundai HI (KRS)	2022	79.8	Against 5 yrs TC to PTT

NYK Line	LPG	84,000 cbm x 1	Kawasaki (JPN)	2022	LPG fueled.
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### Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
<b>PANAMAX BULK</b>						
GLORIEVER	1996 / Japan	70,108	9,295	Bangladesh	445	incl 600 tons bunkers
<b>GENERAL DRY CARGO</b>						
INZHENER PLAVINSKIY	1988 / Poland	9,382	4,979	Turkey	250	Green Recycling
<b>AFRAMAX</b>						
ABERDEEN	1996 / Spain	87,055	17,400	as-is Greece laid up		For Green Recycling In Turkey
<b>LPG</b>						
CELIA	1991 / Japan	5,058	3,578	India		

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

	Banglades h	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	440/455	435/450	420/435	260/270
Dry Cargo/Bulk/Tween/Gen Cargo	430/440	420/435	410/420	250/260

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

	Newbuild	5 Year Old	10 Year Old
<b>Tankers</b>			
VLCC	87	65.5	46
SUEZMAX	57	45	30
AFRAMAX	47.5	34	22
MR	34	27	18
<b>Bulkers</b>			
CAPE SIZE	48^	28	20
KAMSARMAX / PANAMAX	26.5^	23k	16k / 14.75p
ULTRAMAX / SUPRAMAX	24.5^	20u	11.5
HANDYSIZE	23^	15	9.25

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

### Indices

	C.O.B Friday
<b>BDI</b>	1452
<b>\$/Yen</b>	104.69
<b>VLCC</b>	
AG/East TD3 (WS)	27.5

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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.*

### Is an Email Attachment Covered by Legal Privilege?



A recent decision by the Court of Appeal in *Sports Direct International Plc v Financial Reporting Council [2020] EWCA Civ 177* has finally shed some light on whether email attachments are covered by legal privilege. The answer is no: email attachments (which are not themselves privileged) do not attract privilege simply by being attached to a privileged email.

Considering this decision, it is important to note that sending email attachments which are not privileged via privileged communication, does not mean those same attachments automatically become privileged.

#### *Background Facts*

The Financial Reporting Council (FRC) had for some time been investigating the conduct of Grant Thornton and an individual at the accounting firm over a structure adopted by Sports Direct International (SDI) concerning VAT.

During the investigation, the FRC brought an application for an order requiring SDI to provide it with certain documents. SDI provided most of the requested documents but withheld 40 documents on the grounds that they were subject to legal privilege. The 40 documents were comprised of 19 emails between SDI and its lawyers, along with 21 attachments.

The FRC accepted that ordinarily the withheld emails would be protected by legal privilege, but in the circumstances of this case, argued that the 21 attachments to those 19 emails were pre-existing documents and should therefore not be protected by legal privilege. In coming to the first instance decision, Mr Justice Arnold accepted this argument and concluded that SDI was not entitled to legal privilege in respect of the attachments.

#### *The Court of Appeal Decision*

SDI appealed the decision and the Court of Appeal was asked to determine whether an email attachment (which was a pre-existing document) should be protected by legal privilege simply because it was attached to a privileged email.

SDI accepted that pre-existing documents were not covered by privilege simply because they were sent to a legal adviser, but they attempted to draw a distinction between whether a document was privileged and whether a communication was privileged.

The Court of Appeal rejected SDI's arguments and held that email attachments are to be treated separately from their parent emails for the purpose of privilege, which means if an attachment is not of itself privileged, it does not become so when sent as part of an otherwise privileged communication.

#### *Supreme Court*

Following the Court of Appeal decision, permission to appeal to the Supreme Court was sought. The Supreme Court has since refused to grant permission to appeal on the basis that the application did not raise an arguable point of law.

## **BIMCO Issues New Sanctions Time Charterparty Clause for Container Vessels**



A new sanctions clause for container vessel time charterparties in 2021 was released by BIMCO this week. As the container trade has become increasingly complicated due to international sanctions, the new BIMCO clause aims to help parties to, “*manage, allocate, and mitigate*” the risks of sanctions, thus, allowing them to remain compliant with differing sanctions regimes.

The clause addresses two distinct areas:

1. transactions with a sanctioned party; and
2. voyages that involve the carriage of sanctioned cargo.

With regards to the first scenario, the clause intends to tackle an instance where one party to the agreement becomes designated as a sanctioned party. In this case, the innocent party will be able to terminate the charter and claim damages. The latter scenario covers an instance where charterers allow the carriage of sanctioned cargo where they had knowledge or ought to have known that such was prohibited. Here, there is an indemnity provision whereby charterers agree to indemnify the owners and hold owners harmless unless the cargo was found to have been intentionally concealed in containers by or with the complicity of the crew without the charterers (or their agents’) knowledge.

BIMCO acknowledges that the clause provides a framework for *general application*. Hence, in certain circumstances, where a specific concern to a particular sanction needs to be addressed, the clause may have to be amended to account for the specific risks contemplated. If amendments are to be taken, BIMCO highly recommends the use of legal advice to ensure parties understand the ramifications of such changes. This is especially so in the event that there are conflicts of laws where sanctions from a particular country conflict with that of another.

The new sanctions clause was developed by a team comprising of interested parties such as owners, charterers, P&I clubs and lawyers. The full write-up, including the clause and the guidance notes, is available at BIMCO’s website here: <https://www.bimco.org/contracts-and-clauses/bimco-clauses/current/sanctions-clause-for-container-vessel-time-charter-parties-2021>.

## **CJC Promotes Directors in Singapore and Newcastle**



Senior Associates Alex Hudson and Will Pyle, of CJC’s Newcastle and Singapore office respectively, have both been promoted to director, with effect from 1 March 2021. These promotions are indicative of CJC’s continuing international growth, even amid the ongoing COVID-19 pandemic. The promotions also evidence CJC’s desire to retain and promote key legal talent.

Alex specialises in P&I and FD&D matters covering a wide range of charterparty, bill of lading and general contract of affreightment disputes. He works closely with P&I Clubs and has previously been seconded to the FD&D department of a leading International Group P&I Club, where he dealt with a wide range of P&I claims.

Will has extensive experience of running international arbitrations seated in Singapore and London governed by SCMA, LMAA, SIAC, ICC and GAFTA rules. He handles charterparty disputes, bills of lading and sale contracts, and advises in relation to marine casualties such as collisions, grounding and fires at sea. Will previously undertook a secondment to Japan and maintains a particular focus on the Japanese market.

### **Proposed Fincantieri-Chantiers Merger No Longer Proceeding**



France and Italy announced jointly that they will no longer proceed with the merger of two of Europe's largest shipbuilders, Chantiers de l'Atlantique (Chantiers) and Fincantieri, citing the impact of COVID-19 and the current economic situation as the reason for this decision. The completion of the merger of the two state-owned shipbuilding companies had been delayed pending an anti-trust review and approval from the European Commission.

The agreement to merge the operation of the two shipyards came about after France took control of the STX France operation after the collapse of the South Korean STX Corporation in 2016. A shipyard with a long history building both passenger ships as well as naval vessels, France considered the yard as a strategic asset for the country and a major employer. Chantiers had in recent years expanded its business as a builder of the world's largest cruise ships competing with Fincantieri in Italy and Meyer Werft with its operations in Germany and Finland.

The merger of Chantiers and Fincantieri had, however, faced problems after the European Commission expressed concern about the impact of the transaction in terms of competition. At the end of October 2019, the European Commission announced it had decided to open an in-depth investigation into the proposed merger citing specific doubts about competition for the construction of cruise ships.

Due to expire at the end of 2020 after the previous extensions, the French government had agreed to a one month extension until 31 January 2021. At the time, the Italian and French governments said they planned to write to the EU Competition and Industry Commission urging them to finalize the inquiry into the deal.

In announcing the decision not to extend the agreement past the end of this week, both countries reaffirm the strength of their ties in terms of economic cooperation, particularly in the industrial sector. French also said that it would continue to support Chantiers de l'Atlantique as its main shareholder for as long as the current crisis will last.



## US Seizes Suspected Oil Shipment from Iran



The Liberia-flagged crude oil tanker “Achilleas” is sailing to the US following a seizure order issued by the Department of Justice. The Vessel’s Greek owner, Capital Ship Management Corp., notified US authorities that it may have unknowingly taken on approximately 2 million barrels of Iranian crude after initially believing it came from Iraq.

The vessel, which is a VLCC, took on the oil in a ship-to-ship transfer at the port of Fujairah in the United Arab Emirates and was then scheduled to sail onward to Muscat, Oman.

Iran has purportedly been increasing its oil exports in light of the new US administration in the White House in anticipation of a more constructive relationship with recently inaugurated President Biden. According to data compiled by Bloomberg, Iran pumped about 2 million barrels of crude a day in December 2020, although this remains barely half of what it was producing before former President Trump took the US out of the Iran nuclear pact. Of this amount, only 10% is exported, mostly to China.

Last year the US also intercepted vessels it claimed were carrying gasoline from Iran to Venezuela.

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