



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](#).

In this issue:

Gibson Sale & Purchase Market Report

Tankers – Deflationary Trends | Dry Cargo – Back on Track? | Recycling – Summertime Sales
| Newbuilding – Tanker Teint | Sale & Purchase Market Report

CJC Market News

Drewry Reports on Seafarer Shortage | Cyber-Security Threats to the Maritime Industry

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.
+44(0) 20 7667 1000 - sap@eagibson.co.uk - www.gibsons.co.uk*

Tankers – Deflationary Trends

Market participants yearning for a quiet spell after a frankly frenetic first half of the year in the second hand tanker markets appear to be in luck, with flat spot rates appearing to inspire prospective buyers to put their wallets away and ponder their plans for the summer. Whilst we do continue to note a steady level of ongoing negotiations (at prices still broadly in line with last done), it's a far cry from the heady days of this spring when promptly deliverable candidates found themselves the object of avid competition between multiple buyers. While it may not be time to write off Q2 quite yet, one should not be surprised to find sales lists shortening considerably in the weeks ahead. As noted in earlier reports, the main catalyst for a substantial shift in activity would still be the kind of sustained jump in spot rates that would allow buyers to justify higher (or even current) prices on the back of higher potential launch cargo earnings.

Dry Cargo – Back on Track?

With the dry cargo freight market seeming to have turned a corner, certainly for the larger sizes, the volume of sales looks to be back on track. It is interesting to note that the presence of ultramax bulker sales is slowly increasing in our sales list. This week, amongst others, we are reporting the sale of the "**VICTORIA T**" (61,266 dwt / built 2017 Shin Kurushima, Japan) at US\$29.2m, which looks much in line with the recent sale of the "**BULK ELECTRA**" (66,604 dwt / built 2015 Mitsui, Japan). Contrastingly, the supramax sale of the "**CF DIAMOND**" (57,610 dwt / built 2016 Tsuneishi, Japan) at close to US\$24m could be considered a little light, although in correction to last week's report where we might have been slightly optimistic in reporting the negotiations on the "**NORDIC TREASURE**" (55,888 dwt / built 2014 Mitsui, Japan) in the high US\$22 m, when in fact the vessel is reportedly been committed at excess US\$21m.

Recycling – Summertime Sales



There seems to be a little more activity of late with a number of dry bulk units being sold for scrap, with breakers in Bangladesh taking the lion share of tonnage being sold to the Indian Sub-Cont. Nearly all those units being committed are built in the mid to late 90s, telling its own tale as to what is currently happening in all sectors of the shipping industry, which is reaping healthy rewards across the board for shipowners. Bangladeshi breakers are still paying top dollar for all types, with India not that far behind (but of course being the main destination for HKC Green Recycling). Pakistan is completely out of the picture at present and simply uncompetitive. Although summer is on its way, which is typically a slow period with sporadic activity, we may now see an up-tick in activity as some sellers will look to take advantage of current ship scrap price levels before disappearing on their summer vacations. Currently we view the market as firm and breakers are keen to secure tonnage for their yards, but candidates are still relatively few and far between.

Newbuilding – Tanker Teint

Chinese yards continue to push their remaining 2026 tanker slots with a focus on LR2. Further deals are emerging even at yards with no product tanker building experience such as Zhoushan Changhong. VLCC discussions continue also with Chinese yards, albeit few 2026 slots, but confirmed orders (signed shipbuilding contracts) are yet to emerge. Further calls for investment in the upstream oil industry continue against a backdrop of the scaling back of investment in renewal energy from some politicians/countries. This would be good for tankers of course and more so to drive investment given the proportion of the fleet that is overage. We may therefore see more owners renew their faith in a further tanker cycle and go to the yards to invest in new tonnage as modern second-hand tonnage remains priced at a premium with few candidates for sale. It is worth noting also that there is potentially further pressure on available tanker slots to come from LNG as Qatar Energy announced phase 2 of their LNG programme. The large bulkcarrier market (typically takes afra/suez sized slots) has also had a sustained absence of newbuildings and if fleet renewal picks up here we may see tanker suitable slots disappearing.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
HERUN ZHOUSHAN	181,056	2017	SWS (CHN)	Undisclosed	41.5	DD psd 1/23. BWTS. Dely Jpn-Spore 7-11/23.
DANHIL	81,354	2012	Sungdong (KRS)	Undisclosed	23	DD due 6/25.
BELVEDERE	66,637	2015	Mitsui (JPN)	Undisclosed	xs 27	SS due 9/25. BWTS. Dely 3q23.
VICTORIA T	61,266	2017	Shin Kurushima (JPN)	Undisclosed	29.2	DD due 6/25. BWTS.
CF DIAMOND	57,610	2016	Tsuneishi (JPN)	Undisclosed	close to 24	DD due 3/24.
ARKADIA + KUMPALA	56,348	both 2012	Hyundai Vinashin (VIET)	Undisclosed	17.3 each	Ice 1A. DD due 1+8/25. BWTS. Dely 6-7/23 Atl/Med/Baltic (ex. Russia).
NORD TREASURE	55,888	2014	Mitsui (JPN)	Undisclosed	xs 21	SS due 7/24. BWTS.



Campbell Johnston Clark

CJC EXCHANGE

AMERICAN BULKER	36,228	2016	Shikoku (JPN)	Greek buyer	23	DD due 2/24. Box hold. BWTS. Logs
PAZEH WISDOM	18,969	2009	Kanasashi (JPN)	Undisclosed	8.5	SS due 2/24. Logs.
TANKERS						
LAKE STURGEON	74,993	2007	Onomichi (JPN)	Undisclosed	27	Pump-room. DD due 5/25. BWTS.
CONTAINERS / RO-RO / REEFER / PCC						
CARLA-LIV	23,026	1999	Szczecinska (POL)	Turkish buyer	7.7	1728 TEU. Geared. SS due 11/24. Inc TC to MSC @ \$24.5k pd to 5/24.
GAS (LNG / LPG / LAG / CO2)						
GLOBAL SCORPIO	58,814	2003	Hyundai Ulsan (KRS)	Undisclosed	47.5	82,173 cbm. SS due 7/23.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
Lepta Shipping	Kamsarmax	82,500 dwt x 10+2	Yangzijiang (CHN)	2026-2027		Ice class.
TANKERS						
Teodor Shipping	Suezmax	158,000 dwt x 2	Samsung (KRS)	2025-2026	87	Scrubber.

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC Dry	620/640	560/580	525/550	350/360
Cargo/Bulk/Tween/Gen Cargo	590/615	540/560	510/525	330/340

Newbuild and Second Hand Benchmark Values (\$ million)

Historical Average Values (\$ million)

Vessel Type	New Building	5 Year Old Vessel (Built 2017)	10 Year Old Vessel (Built 2012)	10 Year Old Vessel~ (10 Years Average)	% Difference Present Vs Historical
Tankers					
VLCC	126	100	77	47.3	62.8%
Suezmax	85	74	57	33.6	69.6%
Aframax	68	65	53.5	25.9	106.6%
MR	46.5	42	34	18.8	81.0%
Bulkers					
Capesize	62.5^	52 eco	32	24.2	32.4%
Kamsarmax	34^	33	24	16.6	44.6%
Ultramax / Supramax	32.5^	31	20	14.6	37.0%



Handysize	30 [^]	26	18.5	11.7	58.1%
[^] = Chinese price (otherwise based upon Japanese / Korean country of build)				~ = Basis standard contemporaneous DWT/spec for each type.	

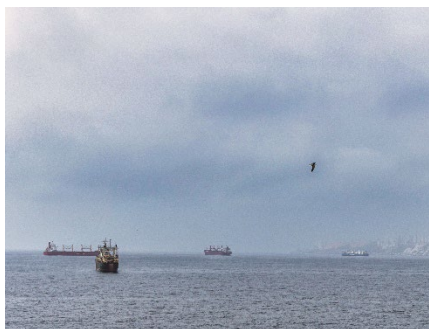
This report has been produced for general information and is not a replacement for specific advice. While the market information is believed to be reasonably accurate, it is by its nature subject to limited audits and validations. No responsibility can be accepted for any errors or any consequences arising therefrom. No part of the report may be reproduced or circulated without our prior written approval. © E.A. Gibson Shipbrokers Ltd 2021.

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.

Drewry Reports on Seafarer Shortage



According to the latest Manning Annual Review and Forecast report published by global shipping consultancy Drewry, officer supply shortfall has reached a record high and is not expected to improve, leading to heightened manning costs.

With the effects of Covid-19 still being felt, the 2023 officer availability gap has widened to a deficit equating to about 9% of the global pool, up from last year's 5% shortfall. As reported by Drewry, this is not expected to improve in the period 2023-2028.

"Employers are seeking alternative sources of supply to fill the gap, and wages have also begun to show more volatility," said Drewry's head of manning research Rhett Harris. "While sectors like containerships and offshore supply vessels have already seen increasing wage rates due to the strength of the sectors, we expect wage cost to accelerate for other vessel types as well."

The increase in global vessel numbers is expected to make the situation worse, alongside the conflict in Ukraine resulting in limited seafarers from Russia and Ukraine.

Cyber-Security Threats to the Maritime Industry



DNV has released a 29-page report titled "Maritime Cyber Priority 2023," based on a survey of 801 maritime professionals. The report highlights the perceived threats, preparedness, and challenges related to cybersecurity in the maritime industry. The survey respondents expressed significant concerns regarding cyber-attacks, with 90% expecting disruptions in ship and fleet operations, 79% anticipating theft of property and cargo, 76% foreseeing damage to port and cargo handling infrastructure, and 72% fearing harm to the environment.

The report indicates that more than 60% of industry professionals believe cyber-attacks could lead to ship collisions, while 68% expect groundings within the next few years. Additionally, over three-quarters (76%) of respondents believe that a cyber incident could potentially force the closure of a strategic waterway.

Svante Einarsson, head of Cyber Security Maritime at DNV, explains that as operational technologies (OT) become more interconnected through digitalisation, the scale of cyber threats expands. However, the cybersecurity measures in place for control systems responsible for ensuring safe vessel operations are lagging behind those of conventional IT systems. As reported, this disparity creates vulnerabilities that put vessels at risk.

While there is an increasing awareness of cybersecurity issues, the report also highlights that the industry as a whole remains ill-prepared for these threats, and investments in cybersecurity are insufficient. The report recommends several actions, including viewing cybersecurity as an enabler, treating cyber issues with the same seriousness as safety issues, promoting information sharing across the industry, enhancing training strategies, maintaining backup options for critical systems, and reframing regulations as a foundation for building robust cybersecurity measures.

The report can be downloaded [here](#).

For more information, please contact:
James Clayton
Tel: +44 (0) 207 855 9669
Email: jamesc@CJCLaw.com
www.cjclaw.com



Gibson Shipbrokers
Tel: +44(0) 20 7667 1000
Email: sap@eagibson.co.uk
www.gibsons.co.uk

