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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 – Kam-parisons

This week we report two Kamsarmax sales which spotlight the premium that can be achieved when acquiring second-hand assets built from contrasting shipyards. In this example, the Guangzhou Longxue built **"WOOKIE"** (81,755 dwt/blt 2012 Guangzhou Longxue) is reported sold at low US\$12m with dry-docking recently passed but no BWTS fitted can be compared with the one year older STX built **"ASIA OPAL"** (80,327 dwt/blt 2011 STX Jinhae, Korea), that was reported sold for US\$12.8m that included BWTS in the sale and surveys due promptly, highlighting the premium that was achieved. This premium paid is still not as large as one may expect to attain from Japanese built Kamsarmax bulkers, as shown by the recent sale of the **"BACCO"** (82,188 dwt/blt 2011 Tsuneishi, Japan) at US\$15.4m with her surveys and BWTS not due until the end of next year.

The appetite for slightly older Kamsarmax bulkers seemingly hasn't caught up with owner's price expectations as we note this week the withdrawal of the **"YARRAWONGA"** (82,279 dwt/blt 2008 Tsuneishi, Japan) with BWTS fitted from her recent dry-docking that was inviting offers in the US\$13s m. Similarly, we also note the **"YM EFFORT"** (81,702 dwt/blt 2008 Mitsui, Japan) that has her DD due next year and no BWTS also looking to achieve similar levels.

TANKERS – How Low Can You Go?

Not a week passes at the moment without a VLCC being reported sold and prices are holding up well with an abundance of buyers. We hear the **"NAJAF"** (309,498 dwt/blt 2000 Hyundai Ulsan) has been sold to Times Navigation for around US\$19.7m with SS + BWTS due 11/20. There are rumours

surrounding a 2003-built VLCC being sold for US\$24m, but we are waiting for confirmation that the deal is done. There is also talk of slightly older units heading to the recycling yards, which will bring some cheer to this over-supplied fleet with subdued earnings.

Aframax values have been under pressure for a while now and the question is: Are we nearing the bottom? If you look at the graph below you can see that we are fast approaching a 20 year low on 10 year old prices.



Pleiades have reportedly sold another aframax, the **"PAMISOS"** (105,335 dwt/blt 2011 Sumitomo) this time to NG Moundreas for around US\$22m with SS+BWTS passed 10/20, which is on a par with the sister which sold a few weeks ago to Performance Shipping.

A trio of older aframaxes have gone this week, namely the **"BAKU"** (105,387 dwt, blt 2003 Sumitomo) the same aged sister, **"AZERBAIJAN"**, and the year younger **"GUNESHLI"** (104,403 dwt/blt 2002 Namura) for US\$9m, US\$9m and US\$8.5m respectively.

RECYCLING – Bangladesh Booms

Now that Bangladesh is no longer being held back by the cartel, prices as we predicted have firmed considerably making them the top payers for tonnage from the Sub-Cont, as evidenced by the sale of the Berge Bulk controlled VLOC the **"BERGE LHOTSE"** which has achieved a whopping US\$420 per LWT; a price which would have been inconceivable just a few weeks ago. With this type of tonnage now commanding levels in low US\$400's, it will be interesting to see how Pakistan and India will react as they will most certainly have to improve their bidding if they wish to stand any chance of actively competing, especially on tankers and large units, although Pakistan breakers, having been busy for most of this year, may not feel the need to go toe to toe with Bangladesh immediately as they have plenty of inventory on their yards. Meanwhile Indian breakers may be content picking off the more specialised units and HKC tonnage which will keep their beakers busy without the need to compete aggressively. With a few more sales to report and more tonnage expected to come in the coming months, especially tankers, it appears the market could be entering a busier period.

Gibson Sale & Purchase Market Report

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
WOOKIE	81,755	2012	Guangzhou Longxue (CHN)	Modion Maritime	low 12	DD psd 6/20. No BWTS.
ASIA OPAL	80,327	2011	STX Jinhae (KRS)	Undisclosed buyer	12.8	SS due 1/21. BWTS to be



SHOYO	77,008	2008	Namura	Minoa Marine	11.5	included with sale. Tier II. Basis SS+BWTS fitted.
OCEAN EAGLE	74,081	2001	Daewoo (KRS)	Hoanh Son Group	7.1	Geared. SS due 5/21. BWTS due 2022.
HAI JI	73,601	2004	Jiangnan (CHN)	Undisclosed buyer	6.63 (A)	Auction sale.
HAPPY CLIPPER	73,414	2001	Sumitomo (JPN)	Undisclosed buyer	5.1	SS+BWTS due 3/21.
SBI GEMINI	63,655	2015	Chengxi (CHN)	Undisclosed buyer	16	SS psd 3/20. BWTS fitted.
SBI POSEIDON + SBI APOLLO	60,435	both 2016	Mitsui (JPN)	M/Maritime Corp	19.2 each	BWTS fitted. SS due 9+10/21.
INDIGO DEVOTION	55,623	2011	Mitsui (JPN)	Greek buyer	reg 11	
JAG ROOPA	52,454	2006	Tsuneishi (JPN)	Undisclosed buyer	6.9	SS+BWTS due 10/21.
ANDES QUEEN	52,330	2013	Shin Kurushima (JPN)	Undisclosed buyer	11	BWTS fitted.
FEARLESS	30,778	2001	Naikai Setoda (JPN)	Middle Eastern buyer	4.2	SS psd 9/20.

TANKERS

JING GANG SAN	318,448	2013	Jiangnan Changxing (CHN)	Pantheon Tankers	45.25	Xihe judicial sale. DD due 3/21.
NAJAF	309,498	2000	Hyundai Ulsan (KRS)	Times Navigation	19.7	SS + BWTS due 11/20.
BAKU	105,387	2003	Sumitomo (JPN)	Undisclosed buyer	reg 9	
PAMISOS	105,335	2011	Sumitomo (JPN)	NG Moundreas	22	SS+BWTS psd 10/20.
AZERBAIJAN	105,250	2003	Sumitomo (JPN)	Undisclosed buyer	reg 9	
GUNESHLI	104,403	2002	Namura (JPN)	Russian buyer	8.5	
BALOS	45,729	2004	Minami Nippon (JPN)	Undisclosed buyer	9.5	Pump-room. BWTS fitted.

CONTAINERS / RO-RO / REEFER / PCC

NORDCLAIRE + NORDEMILIA	23,500	both 2016	Zhejiang Ouhua (CHN)	TS Lines	33.8 en bloc	1700 TEU. Gearless. DD due 6/21.
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GAS

CRYSTAL MARINE	53,395	2003	Kawasaki (JPN)	Indian buyer	37	78,536 cbm. Fully ref.
MAROLA	38,420	2003	Sestri (ITL)	European buyer	high 14	37,314 cbm. Fully ref.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
TANKERS						
Adnoc L&S	VLCC	300,000 dwt x 3+3	DSME (KRS)	2023	85.7	
CSSC Shipping	VLCC	300,000 dwt x 2+3	SWS (CHN)	2022	reg 85	LOI. Against TC to Rongsheng



CSSC Shipping	VLCC	300,000 dwt x 2+3	Dalian (CHN)	2022	reg 85	Petrochemical LOI. Against TC to Rongsheng Petrochemical
Uniseas Shipping	Suezmax	156,000 dwt +1	Samsung HI (KRS)	2023	60	Declared option.
Golden Energy	MR	50,000 dwt +1	STX Offshore (KRS)	2022	34	Declared option.
Marinvest, NYK Line, Meiji Shipping, KSS Line, MOL	Chemicals	50,000 dwt x 8	Hyundai Mipo (KRS)	2022-2023	reg 42	Methanol dual fuel. for TC to Waterfront Shipping
CONTAINERS / RO-RO / REEFER / PCC						
SITC	Containership	2,700 TEU x 1 2,400 TEU x 4 1,800 TEU + 2	Yangzijiang (CHN)	2021 2022 2022	28 27.5 21	Repeat order. New order. Declared options.
IVP Ship Invest	RoRo	4,007 LM x 1+1	Flensburger (GER)	2022	84	210 LOA.
GAS						
Maran Gas Maritime	LNG	186,000 cbm x 1+2	Samsung (KRS)	2023		Suspected against TC to Total.

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
VLOC						
STELLAR MAGIC	1994 / Korea	298,398	388,297	as-is Labuan	422	
BERGE LHOTSE	1995 / Japan	269,958	38,832	as-is Singapore	420	
GENERAL DRY CARGO						
ZARA	1983 / Spain	8,556	2,943	Pakistan	370	
BULK CARRIER						
SILVER SHARK	1985 / Japan	26,564	5,636	Pakistan	386	
REEFER						
HORN BAY	1990 / Croatia	9,096	7,932	as-is Med		
CONTAINER						
SARAH F.	1984 / Germany	8,968	4,462	Pakistan	390	
SUEZMAX						
CARTOLA	2000 / Korea	153,071	22,110	as-is Indonesia	388	
TANKER						
AL EZZ AL SAUDI	1994 / Japan	4,953	2,101	Pakistan	356	
NBCO 3	1981 / Norway	6,954	2,680		356	
SAM PURPOSE	1997 / Poland	44,549	11,098	as-is Nigeria	255	
CHEMICAL TANKER						

TAIHUA SPIRIT	1997 / Italy	13,843	5,627	India	755	incl 800 tons of st-st
LPG						
GAS INDONESIA	1990 / Japan	3,607	2,049	Sub-Cont options		
RESEARCH						
MGS SAGAR	1986 / Norway	900	2,187	India	440	

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	395/410	385/400	380/390	235/250
Dry Cargo/Bulk/Tween/Gen Cargo	380/395	375/385	365/380	220/235

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year	10 Year
Tankers			
VLCC	85	63	43
SUEZMAX	56	43	29
AFRAMAX	45	32.5	20
MR	34	26	17
Bulkers			
CAPE SIZE	46.5^	26	17
KAMSARMAX / PANAMAX	25^	20k	12.5p
ULTRAMAX / SUPRAMAX	23.5u^	17.5u/15s	10.5s
HANDYSIZE	22.5^	14.5	9

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

Indices

	C.O.B Friday
BDI	1197
\$/Yen	103.95
VLCC	
AG/East	32
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.

United Nations General Assembly Advocates Key Worker Designation for Seafarers



On 1 December 2020, the United Nations General Assembly (UNGA) adopted a resolution named “International cooperation to address challenges faced by seafarers as a result of the COVID-19 pandemic to support global supply chains”. This resolution acknowledged the fact that there are approximately two (2) million seafarers who may be affected in various ways as a result of the pandemic and urges member states to designate these seafarers, as well as other maritime personnel, as key workers.

Being designated as key workers would allow seafarers to be deemed as providing essential services. This would exempt them from many national and international movement restrictions and give them access to any other exemptions governments implement. The designation may also assist in effective crew change where seafarers are able to join new vessels or leave vessels to be repatriated. As has been widely noted, many seafarers have reported difficult conditions at sea as some are not able to leave their vessels even after their contracts have expired. Industry observers also note that such conditions may have an adverse effect regarding the safety of vessels.

In the resolution, the UNGA further recognised that seafarers are essential to the global supply chain, delivering essential goods and services, the absence of which would undermine the fight against “poverty, hunger and inequality...”. For these reasons, the UNGA averred that any action to fight against the pandemic which negatively impacts on trade and the global supply chain ought to be “proportionate, transparent and temporary”. In addition, governments and stakeholders should be encouraged to adopt the International Maritime Organization’s (IMO) protocols to facilitated safe and effective crew changes to tackle the issues at hand.

IMO Secretary-General Kitack Lim welcomed the UN resolution and also expressed a hope that, as key workers, seafarers would be given priority access to the newly developed Covid vaccination which would enhance effective crew change procedures as well as ensure that global supply chains remain robust.

The full text of the resolution can be read at <https://www.undocs.org/en/A/75/L.37>.

BIMCO Urges Nigeria to Act Against Pirates in the Gulf of Guinea



The Nigerian government has promised to take a strong stance against piracy and eradicate maritime gangs by the first half of 2021 via their Project Deep Blue initiative. As part of that initiative, the country has made significant investments to improve their anti-piracy capabilities, including coastal surveillance, command and control systems, patrol ships, patrol aircraft, unmanned aircraft, armoured vehicles and training.

However, despite these efforts, the country has seen a recent spike in pirate attacks. The ICC International Maritime Bureau (IMB) figures for 2020 show a

40% increase in the number of kidnappings reported in the Gulf of Guinea and November alone saw 36 seafarers kidnapped from 5 different vessels.

BIMCO is now urging Nigeria to act on its promise to extensively police its waters and find an answer to the piracy problem. International interest in the matter is high as the region supplies 20 percent of Europe's oil and gas. There is hope that the implementation of the Nigerian Suppression of Piracy and Other Maritime Offences Act 2019 will help curb the attacks by criminalising piracy and providing a solid framework for dealing with sea piracy and other unlawful acts at sea.

The first ever trial of a piracy case in Nigeria under this new law is set to go ahead soon in relation to the hijacking of the Chinese fishing vessel *Hailufeng II* back in May 2020. BIMCO have commented that this trial will likely offer a view into how effective the new Nigerian law will be moving forward.

New ICCT Study Condemns Ship Scrubbers



A consulting report from the International Council on Clean Transportation (ICCT), published last week (available [here](#)) corroborates the claims made regarding the polluting impact of discharge water from scrubber-fitted vessels. It was found that, although the use of scrubbers can substantially reduce sulphur dioxide emissions, other potent climate-warming components such as carbon dioxide, particulate matter, and black carbon emissions were actually higher when using HFO with a scrubber than when using MGO.

The report also indicates that, irrespective of the type of scrubber used, the discharge water was more acidic and turbid than the surrounding water. It was also noted that scrubbers emit nitrates, PAHs and heavy metals, all of which can considerably reduce water quality and negatively impact marine ecosystems.

The report's recommendations to the international community were that governments should continue to take unilateral action to restrict or prohibit scrubber discharges from both open-loop and closed-loop scrubbers and that the IMO should harmonise the rules surrounding scrubber discharge. This includes reviewing whether such discharge should be permitted, and if so where and when. It was also suggested that the IMO should prohibit the installation of scrubbers on newbuild ships and look to phase out scrubbers installed on existing ships.

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