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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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## Tankers – Teenage Kicks

The tanker S&P market remains devoid of much in the way of modern tonnage, either on offer for sale or reported sold, letting the vintage age bracket continue to hog the limelight with full priced deals unabating. Just as last week saw the seventeen-year-old aframax **"KYTHIRA WARRIOR"** (115,338 dwt / built 2006 Sanoyas, Japan) selling at US\$38m, in line with preceding week's sale of BWTS fitted **"KRITI GALAXY"** (110,802 dwt / built 2006 Mitsui) at the same price, we hear a price of high 30s mill being secured for **"ATLANTIS"** (105,400 dwt / built 2008 Sumitomo, Japan); seemingly a weaker price comparatively for her younger age, yet proportional to the smaller deadweight and Special Survey and BWTS due in July. As for VLCCs, following last week's sale of scrubber fitted **"MARAN AQUARIUS"** (320,821 dwt / built 2005 Daewoo, Korea) at mid-high 52 mill this week sees a further scrubber fitted sale of the **"SEAHERO"** (306,507 dwt / built 2006 Daewoo, Korea) to an undisclosed UAE buyer at a year younger aged alignment US\$56m.

## Dry Cargo – Holding Position

The anticipated China bounce in the freight market has yet to materialise but looking at the Dry Futures market things are predicted to get better. Hence with this situation we have a limited number of sales to report with buyers and sellers holding contrasting views. However, the Handysize sector reported a few transactions. Notably the **"VENTURE OCEAN"** (38, 947 dwt / built 2015 Jiangmen Nanyang, China) has reportedly been sold to an Italian buyer for low/mid US\$18m, which corresponds with the January sale of the slightly smaller **"BEN WYVIS"** (35,000 dwt / built 2015 Jiangdong, China) at US\$17.4m. Meanwhile, the **"AFRICAN VENTURE"** (34,730 dwt / built 2012 Chengxi, China), which saw four different offers, went to Greek buyers at a respectable US\$12.50m.

As said, activity for the larger sizes seems to be rather subdued with the only supramax to report being the **"NAVIOS AMARYLLIS"** (58,735 dwt, built 2008 Tsuneishi Zhousan, China) which was reportedly

purchased by Gurita Lines of Indonesia at a price of in the high US\$14m. It was a year ago these buyers last purchased a supramax namely the similar "**WEST WIND**" (56,557 dwt / built 2008 IHI, Japan) at US\$16.85m, illustrating even accounting for the one year age difference how prices have come off, which is understandable given the BDI is sitting at less than half of where it was then. Consequently some buyers may feel that today's prices do not reflect the current freight market.

## Recycling – A Brightening Outlook for Breakers

After a muted 2022 and a fairly slow start to this year, and last week being quiet because of India's Republic Day celebrations (and of course the Chinese New Year holidays), the Recycling market is now anticipating a busy and productive time from this week going forwards. India has announced its Union budget for 2023 earlier this week with some positive signalling. With large investments promised for Defence (US\$72.5bn), Road transport (US\$33bn) and Railways(US\$29.4bn) the sentiment is that the local demand for steel will continue to remain robust throughout 2023. Moreover, the Indian Government is also looking to reduce the age of ships that can trade or call Indian ports, which may lead to a substantial Recycling spree among older Indian ships. Meanwhile in Bangladesh, their L/C issue continue to persist, although a few larger ship-breakers have begun to find a mechanism of opening them. In Pakistan, the economic situation is still in the doldrums as their currency continues to weaken each week. Breakers there are extremely pessimistic and hesitant on how the country shall recover from its current state. Viewing the recycling sector more broadly, with the dry markets in free fall, we believe that they may soon take over the mantle of being the largest tonnage suppliers to the recycling markets from Containers. Pricewise the markets are holding up and have remained stable for the past couple of weeks

## Gibson Sale & Purchase Market Report

### S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
<b>BULKERS</b>						
NAVIOS AMARYLLIS	58,735	2008	Tsuneishi Zhoushan (CHN)	Gurita Lines	high 14	SS due 7/23. Sold in 12/22.
VENTURE OCEAN	38,947	2015	Jiangmen Nanyang (CHN)	Italian buyer	low-mid 18	DD due 10/23. BWTS+logs fitted.
AFRICAN VENTURE	34,730	2012	Chengxi (CHN)	Greek buyer	12.5	SS psd 8/22. BWTS fitted.
AS ELENIA	34,421	2011	SPP Tongyeong (KRS)	Turkish buyer	low 13	DD due 12/24. BWTS fitted.
<b>TANKERS</b>						
SEAHERO	306,507	2006	Daewoo (KRS)	UAE buyer	56	DD due 3/24. Scrubber fitted.
ATLANTIS	105,400	2008	Sumitomo (JPN)	Undisclosed	high 30s	SS+BWTS due 7/23.
LOUKAS I	45,557	2005	Uljanik (CRT)	Chinese buyer	17	Deepwell. Epoxy+Zinc. DD due 3/24. N2 Gen + BWTS fitted.
<b>CONTAINERS / RP-RO / REEFER / PCC</b>						
RIO CENTAURUS	42,604	2010	Nordseewerke (GER)	MSC	33.9 en bloc	3426 TEU.
TRF KAYA	39,338	2007				Gearless. DD



			Hyundai Mipo (KRS)			due 5/23. Scrubber fitted. Inc TC. 2824 TEU. Gearless. SS psd 8/22. Scrubber fitted. Inc TC. 1268 TEU. Gearless. SS due 2/23. BWTS fitted. 706 TEU. Gearless. SS psd 8/22. BWTS fitted.
KUO LUNG	18,581	1998	C S B C Kaohsiung (TWN)	Undisclosed	3.25	
DONGJIN HIGHNESS	8,511	2007	Yangfan (CHN)	Chinese buyer	5.5	

### NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
<b>TANKERS</b>						
Jaldhi Overseas	MR	50,000 dwt x 1	YAMIC (CHN)	2025-2026		
<b>CONTAINERS / RO-RO / REEFER / PCC</b>						
CMA CGM	Containership	13,000 TEU x 12	Hyundai Samho (KRS)	2025-2026	171	Methanol fueled.
Grimaldi Group	PCTC	9,000 CEU x 5	China Merchants Jiangsu (CHN)	2027		Ammonia ready.
SAIC Anji Logistics	PCTC	8,900 CEU x 4	China Merchants Nanjing (CHN)	2025-2026		Methanol ready.
Neoline	RoRo	5,300 dwt x 1	RMK Marine (TRK)	2024		1,200 lm. 2*76m solid sail carbon masts.
<b>GAS (LNG / LPG / LAG / CO2)</b>						
SEAPEAK UNIKUM + SEAPEAK VISION		12,210 both 2011	AVIC Dingheng (CHN)	Titan		LNG 12,022 cbm.

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

	Bangladesh	Pakistan	India	Turkey
Tankers / Cont / Ro-Ro / Capes / LPG / PCC	560/570	555/565	540/550	310/320
Bulkers / Tween / General Cargo	550/560	545/555	530/540	300/310

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

Vessel Type	New Building	5 Year Old Vessel (Built 2017)	10 Year Old Vessel (Built 2012)	Historical Average Values (\$ million)	
				10 Year Old Vessel~ (10 Years Average)	% Difference Present Vs Historical
<b>Tankers</b>					
VLCC	120	100	76	46.3	64.0%
Suezmax	81	68	54	32.9	64.0%

Aframax	64	62.5	50.5	25.0	101.9%
MR	44	41.5	33	18.3	80.8%
<b>Bulkers</b>					
Capesize	60.5 <sup>^</sup>	44 (eco)	29	24.0	21.0%
Kamsarmax	33.5 <sup>^</sup>	30	22.5	16.4	37.5%
Ultramax / Supramax	31 <sup>^</sup>	28	18.5	14.1	31.2%
Handysize	28.5 <sup>^</sup>	24	15.75	11.5	36.8%
<sup>^</sup> = Chinese price (otherwise based upon Japanese / Korean country of build)				~ = Basis standard contemporaneous DWT/spec for each type.	

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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.*

### CJC Special: Marshall Islands Update – Netting Act 2023 by Alastair MacAulay



Although a small country, the Republic of the Marshall Islands has a substantial corporate and maritime program; it is home to many private and NYSE listed corporations, LLCs and partnerships and runs one of the largest ship registers in the world. Consequently, the jurisdiction is important to financial institutions and others engaged in finance and investment, particularly in the maritime sector. All of these activities commonly use swaps and other derivatives to manage their exposure to adverse movements in interest rates, currency exchange and other financial instruments using the ISDA suite or other similar contracts.

There is no Insolvency Law in the Marshall Islands and limited provisions elsewhere governing the dissolution of and appointment of a receiver to a Marshall Islands entity. Case law relating to close-out netting and financial collateral on insolvency remains largely undeveloped. Comfort on the treatment ISDA-style provisions on close-out netting and financial collateral has hitherto derived from the key principle of Marshall Islands law which is the recognition of the right of parties to negotiate and agree

on the terms and conditions of their business relationship, including the choice of the law and forum by which dispute(s) may be resolved.

The Marshall Islands Government is always keen to enhance the attraction of the country as an offshore jurisdiction that passes the strict scrutiny of major investment banks worldwide. Sound corporate legislation, political stability, responsive government policy and substantial experience in administering corporate programs are the key criteria in this respect. Accordingly, the Government has responded positively to engagement with ISDA on the introduction of legislation to provide certainty as to the enforceability of derivative transactions, close-out netting and related financial collateral arrangements. The result of this collaboration is the imminent entry into force (expected within March 2023) of the Marshall Islands Netting Act, 2022 (Chapter 1 of a new Title 53 of the Marshall Islands Revised Code (MIRC)). This is modelled on and follows in all material respects the ISDA Model Netting Act (MNA).

### **Principal features of the Netting Act**

- A qualified financial contract will not be voidable or unenforceable as a gamble, wager or lottery
- A netting agreement will be enforceable against an insolvent party and any guarantor or other person providing security and may not be stayed, avoided or otherwise limited by virtue of its being subject to insolvency proceedings
- After commencement of insolvency proceedings, the only obligation to pay, and the only right to receive payment, shall be a net amount as determined in accordance with the terms of the netting agreement
- The provisions of a netting agreement that provide for the determination of a net balance will not be affected by any applicable insolvency laws limiting the exercise of rights to set off, offset or net out owed between an insolvent party and another party
- Unless there is clear and convincing evidence to the contrary, no payment, transfer or substitution of security shall be avoided on the grounds of it constituting a preference or a transfer during a suspect period with actual intent to hinder, delay, or defraud any entity to which the insolvent party was indebted or became indebted

While the Netting Act generally adopts all the provisions of the MNA, there are certain points to note which reflect the nature of the Marshall Islands corporate program. First, is recognition that any Marshall Islands entity that engages in a derivatives transaction will be a non-resident domestic entity (i.e. it does not have any assets or carry on business physically within the Republic) and therefore an insolvent entity is likely to have assets and may be subject to insolvency proceedings outside the jurisdiction. Secondly, no international financial institutions have branches or are licensed to carry on business within the Republic, and the Bank of the Marshall Islands does not operate outside the Marshall Islands, and accordingly the multi-branch provisions of the MNA have not been adopted. Finally, it should be noted that the Registrar of Corporations does not permit the formation of entities that intend to engage in forex trading, binary options trading, or related activities as their principal business, and therefore any counterparty entering into such arrangements with a Marshall Islands entity should be satisfied that any such transactions are ancillary to the entity's primary business activity.

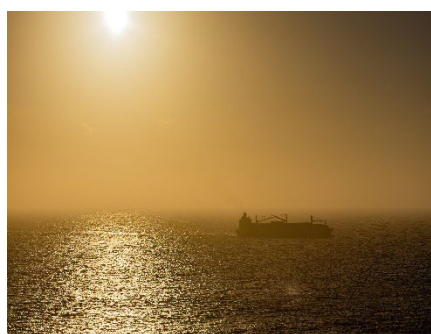
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## **CMA CGM Launches €200 million Decarbonisation Project**



French container shipping company CMA CGM has begun accepting applications for a total of €200 million (\$218 million) in funding available to both start-ups and businesses working on concrete solutions that aim to speed up the decarbonization of the French shipping industry.

The company has committed a €200 million budget for the projects from its five-year \$1.5 billion budget, which was launched in September 2022 to accelerate its energy transition and achieve net-zero carbon by 2050. CMA CGM's participation is part of a broader government initiative announced by France's

secretary of state for maritime affairs, Hervé Berville, mapping out the France-Mer 2030 plan.

In September 2022, CMA CGM created a special Fund for Energies to support the industrial production of new fuels and low-emission mobility solutions across the company's business base, including maritime, overland and air freight shipping, port and logistics services and offices.

The Fund for Energies is one of several projects that CMA CGM is pursuing. The company is also participating in efforts focusing on the production of methanol and synthetic fuels.

## **Wreck Removal Delayed by Bad Weather**



Following a collision and subsequent grounding of the 35,000-deadweight bulk carrier "OS 35" off the coast of Gibraltar in August 2022, the planned wreck removal operation has now been hit by further delays.

It is reported that bad weather in France has meant that a barge and a tug needed for the operation have been unable to leave the port of Brest, where they have been trapped for some time. "It is not ideal that some assets are still stuck in France due to bad weather, but hopefully in the coming days there will be an opportunity for the barges to begin their journey to Gibraltar,"

said Gibraltar port captain John Ghio.

Once the assets are on scene, the Port Captain expects the planned operation to resume which will see the removal of the "OS 35" sometime in May 2023.

Proposals for the removal of the wreck were approved by the Gibraltar Port Authority in November 2022 with Koole Contractors appointed to carry out the work. It is understood that Koole signed an agreement with the Gibraltar government to complete the operation in May 2023.

Progress has already been made with a crane barge having already arrived at the wreck location. The vessel's own cranes are in the process of being dismantled to allow for the removal of cargo still left onboard the stricken vessel. Fuel oil and other potential pollutants were removed from the wreck soon after it grounded.

It is believed that the estimated cost of the whole wreck removal operation will cost approximately \$70m.

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