

**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 – Deals by the Dozen | Dry Cargo – Not Everything That Glitters is Golden | Recycling – Empty Handed | Newbuilding – Old to New | Recycling – Tough Times | Sale & Purchase Market Report

#### CJC Market News

Royal Caribbean Cruises Ltd v Rawlings [2022] | Hapag-Lloyd to purchase terminal and logistics operator | VesselsValue expands their Green data offering

## 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 – Deals by the Dozen

Prospective buyers facing an increasingly frothy second-hand tanker market are faced with the uncomfortable reality that we are on in that relatively brief S&P fixing window sandwiched between the summer and the end of year holidays. It is simply the case that any investors with an urgent need or desire to acquire ships within this year will only be able to do so within the next 8 to 9 weeks, pouring further fuel on the fire. Whilst we note a steady stream of candidates coming to market, as many owners are understandably keen to turn accounting profits into cold hard cash, competition amongst buyers remains fierce for the reasons mentioned above and sellers are very much in the driving seat.

While there is broad interest across the age and size spectrum, older crude/DPP vessels continue to be the primary target and continue seeing the biggest jump in values, as evidenced by the sale of the **"CAP GUILLAUME"** (158,889 dwt/blt 2006 Samsung, ICE 1C) for a price of near US\$35m. With the EU bans on Russian crude and clean products looming in December and February respectively, significant upside risk remains on rates and current deal-making mood seems set to continue in the coming months. As with other booms in the past, only time will tell who will be left with a hangover when the party ends.

### Dry Cargo – Not Everything That Glitters is Golden

Despite the Golden Week celebrations in the Far East, there are an encouraging number of dry cargo vessels being report sold this week. As we alluded to last week, with regard to the market turning a corner, this seems to be vindicated by these sales. Values seem to have stabilised from their recent decline and with more tonnage emerging from Japan it will be interesting to see how things develop over the next month, which will give some indication as to whether these golden purchases prove astute. Also, we have noted of late a number sales candidates coming out of China, maybe reflecting

their interest in asset play but nevertheless the vessels do predominantly end up going to other Chinese owners. For instance, the Chinese controlled panamax bulkers **"AGRI KINSALE"** & **"AGRI QUEEN"** (77,000 dwt/blt 2009 Oshima Zosen, Japan) were being marketed for a commercial auction sale with a reserve price of US\$17.5m, are now being reported sold US\$16m, which looks like an attractive price today, with details of the canny player yet to be revealed.

## Newbuilding – Old to New

The sale of vintage tankers at record breaking price levels continues to pick up pace focused on the aframax and VLCC sectors. The question is, as an owner, what do you do with the cash/ profit? In terms of reinvestment, the price of modern second-hand remains highly speculative with few, if any, confirmed transactions at such asking levels. There also remains a lack of modern tonnage for sale. We therefore expect some reinvestment to flow into newbuildings, with record vintage tanker pricing also working to offset the current newbuilding pricing, which is arguably a better medium-long term investment. Money left in the bank is exposed to inflation and also financing costs are rising in line with global monetary policy tightening.

Second-hand bulker buying activity has seen a welcome increase for the medium sizes and new pricing benchmarks have been set for ten year old vessels at 15-20% below levels achieved before the markets came off. Yards have been closed this week, but it will be time for them to adjust newbuilding pricing in line with new levels in the second-hand market, but as usual it will take a willing buyer to engage and negotiate with a yard to get the best pricing.

## Recycling – Tough Times

With values of second-hand (vintage) trading tonnage continuing to firm across nearly every sector (Containers excluded) it is increasingly hard for ship recycling buyers and cash buyers to source scrap ship tonnage as the residual value of these assets bear no reflection on what the actual true value of them are in today's markets. Regardless of their 'demo value' there will always be trading buyers out there ready, willing and able to outbid the scrappers. Only the odd vessel here and there is being sold for recycling, and sometimes even when that happens on an 'as-is where-is' basis the cash buyer may be able to find a trading buyer to whom they can flip the vessel on to. This has happened on numerous occasions this year (mostly on tanker tonnage) and such asset play is becoming increasingly a part of some cash Buyers' portfolio. Meanwhile, there remains some concern about the general financial instability, which appears fragile and what effect this will have on the recycling market. With interest rates rising and currencies weakening against the US\$ it is indeed a cautious and tricky time for all.

## Gibson Sale & Purchase Market Report

### S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
<b>BULKERS</b>						
SHINYO GUARDIAN	177,216	2005	Namura (JPN)	Beks	17.25	DD due 8/23. BWTS fitted.
LILA NANTONG	171,009	2003	Sasebo (JPN)	Undisclosed buyer	16	SS due 3/23.
D SKALKEAS	93,281	2011	Jiangsu Newyangzi (CHN)	Undisclosed buyer	20	SS psd 10/21. BWTS fitted.
CYMONA GEMINI	82,992	2006	Tsuneishi (JPN)	Minoa Marine Ltd	15.85	DD due 10/24.



ALEXANDRA	82,329	2006	Tsuneishi (JPN)	Turkish buyer	16.35	DD due 1/24.
AGRI KINSALE + AGRI QUEEN	77,171	both 2009	Oshima Zosen (JPN)	Chinese buyer	16 each	DD psd 9+/22 + due 11/22. BWTS fitted.
GOLDEN HARVEST	76,623	2001	Imabari (JPN)	Chinese buyer	10.5	DD due 12/23. BWTS fitted.
FORTUNE TRADER	74,750	2001	Hudong Zhonghua (CHN)	Undisclosed buyer	9.3	SS psd 3/21. BWTS due 11/22.
CAS AVANCA	55,561	2009	Hyundai Vietnam (VIET)	Undisclosed buyer	14.3	DD psd 9/22. BWTS fitted.
NORDIC OSLO	35,866	2012	Nantong Jinghua (CHN)	Undisclosed buyer	18	SS psd 7/22. Maybe inc. TC.
PROMISE 2	32,474	2010	Samho (KRS)	Middle Eastern buyer	13.8	DD due 9/23.
ANACAPA LIGHT	31,603	2005	Saiki (JPN)	Turkish buyer	xs 12	Open hatch. DD due 8/23.
GRIKOS	29,828	2006	Shikoku (JPN)	Undisclosed buyer	12	DD due 9/24.
<b>TANKERS</b>						
MARAN AQUARIUS	320,821	2005	Daewoo (KRS)	Undisclosed buyer	53	DD due 12/23. BWTS+Scrubber fitted.
CITY OF TOKYO	303,994	2004	Universal Ariake (JPN)	Undisclosed buyer	49	SS due 4/24.
NORDIC COSMOS	159,999	2003	Samsung (KRS)	Undisclosed buyer	21	DD due 11/22. Dely 4Q22.
LILA GUANGZHOU	159,149	2004	Bohai (CHN)	Undisclosed buyer	23.5	DD postponed to 12/22.
CAP GUILLAUME	158,889	2006	Samsung (KRS)	Undisclosed buyer	35	Ice 1C. DD psd 12/21. BWTS fitted.
PHOENIX BEACON	105,525	2011	Hyundai Ulsan (KRS)	Performance Shipping	35.5	SS psd 7/21. BWTS fitted. Dely 12/22.
HIGH MARS	51,543	2008	STX Jinhae (KRS)	Undisclosed buyer	20.5	Deepwell. SS due 4/23.
DEE4 FIG	49,996	2011	Onomichi (JPN)	United Overseas Group	26.5	Pump-room. SS psd 5/21. BWTS fitted.
ENERGY PROGRESS + ENERGY PUMA	46,600	both 2008	Sungdong (KRS)	Teodor Shipping	high 19 each	Deepwell. SS due 7+11/23.
BALTIC ADVANCE	37,330	2006	Hyundai Mipo (KRS)	Undisclosed buyer	16.5	Ice 1B. SS psd 6/21.
SYNERGY	34,819	2020	Fujian Mawei (CHN)	Chinese buyer	31	Epoxy. 3 grades. Twin engine. BWTS fitted.
CHEM TIGER	20,621	2003	Usuki (JPN)	Undisclosed buyer	xs 11	Stainless steel (SUS316L). SS due 11/23. BWTS fitted.
WEALTHY LOYAL	19,080	2012	Zhejiang Taitong (CHN)	Undisclosed buyer	15.04*	*Auction. DD psd 6/22. BWTS fitted.
LEON HERC	17,568	2008	Samho (KRS)	Greek buyer	9	Epoxy. 18 grades. SS due 11/23.
HANYU FREESIA	13,102	2006	21C Shipbuilding (KRS)	Undisclosed buyer	7.1	Epoxy. 14 grades. SS psd 7/21. BWTS fitted.

GENERAL CARGO / MULTI-PURPOSE						
HARMONY SW	12,616	2008	Higaki (JPN)	Turkish buyer	7.25	Geared. Sold in 9/22.
PROGRESS	58,560	2009	Hyundai Ulsan (KRS)	Foresight	50	82,446 cbm. Fully ref. SS+DD due 1/24. BWTS fitted.
BELLAVISTA EXPLORER + MONTE ROSA EXPLORER	57,555	both 2021	Hyundai Samho (KRS)	Undisclosed buyer	93 each	88,898 cbm. Fully ref. LPG dual fuel.
CLIPPER	56,864	1992	NKK Corporation (JPN)	Far Eastern buyer	15	76,968 cbm. Fully ref. SS psd 3/22.
MANGUSTA	28,700	2022	Hyundai Mipo (KRS)	US green energy fund	59.5	Full ref. 39,200 cbm. Against TC to Koch.
PACIFIC MARS + PACIFIC MERCURY + PACIFIC SATURN + PACIFIC JUPITER + PACIFIC VENUS	23,709 18,552	all 2019 both 2018	Nantong Sinopacific (CHN)	Navigator Holding Ltd <JV with> Greater Bay Gas Co	223* en bloc	*Declared purchase options. LEG. 21,460 cbm. *Declared purchase options. LEG. 17,075 cbm.

#### NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
<b>BULKERS</b>						
Petrobas	FPSO	225,000 bpd x 1	Sembcorp Marine (SING)	2026	3.05 bn	For Buzios field.
Atlas Maritime	Aframax	115,000 dwt x 2	DH Shipbuilding (KRS)	2024	est. 64	Conventional fuel.
COSCO PetroChina	Chemicals	7,4500 dwt x 1	Chongqing Chuandong (CHN)	2024		
COSCO PetroChina	Chemicals	6,300 dwt x 1	Chongqing Chuandong (CHN)	2024		
Dongfang Tongzhou	Bunkering	4,300 dwt x 2	Zhoushan Hetai (CHN)	2023	5.9	
<b>CONTAINERS / RO-RO / REEFER / PCC</b>						
Maersk	Containership	17,000 TEU x 6	Hyundai HI (KRS)	2024-2025	190	Methanol fuel.
H-Line Shipping	PCTC	8,600 CEU x 3	GSI (CHN)	2024-2025	100	

#### Recycling Activity

Vessel Name	Built	DWT	LWT	Delivery	Price (\$/lwt)	Notes
<b>SUEZMAX</b>						
STROVOLOS	1999 / Japan	47,106	9,368			

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

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	590/620	590/620	585/600	250/260
Dry Cargo/Bulk/Tween/Gen Cargo	580/590	580/590	570/585	240/250

### 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
<b>Tankers</b>					
VLCC	120	88.5	65	45.4	43.2%
SUEZMAX	80	62.5	45	32.4	39.1%
AFRAMAX	65	57.5	42.5	24.1	76.1%
MR	44	40	29	17.7	63.8%
<b>Bulkers</b>					
CAPE SIZE	64^	47 eco	30	23.5	27.4%
KAMSARMAX	36.5^	31.5	22.5	16.1	39.7%
ULTRAMAX / SUPRAMAX	33.5^	29.5	21	14.0	50.5%
HANDY SIZE	30^	26.5	18	11.3	59.3%

~ = Basis standard contemporaneous DWT/spec for each type.

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

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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.

## Royal Caribbean Cruises Ltd v Rawlings [2022] NSWCA 4



### Background

Midway through a cruise voyage, the Claimant was accused of having sexually assaulted a passenger onboard (hereinafter known as "A"). A decision was subsequently made to detain the Claimant.

At about 6 am on the 17 November, the Captain of the vessel received communication from the vessel operator's onshore Global Security department which recommended that the Claimant be released from isolation subject to him agreeing not to have contact with A and her family. Following a meeting onboard, the Captain advised Global Security that the Claimant would remain in confinement until the ship arrived in Sydney.

This decision was made and communicated around midday on even date.

In the initial action the Claimant brought proceedings against the Defendant, the operator of the cruise ship, claiming damages for wrongful detention and false imprisonment.

The Defendant pleaded that it was "justified at common law to deal with the Claimant in a reasonable manner and for a reasonable time as was necessary for the preservation of order and for the safety of persons or property on board" the ship.

### Initial Judgment

The primary judge held that a master was justified in arresting and confining in a reasonable manner and for a reasonable time any person on board his ship, if:

- (1) he had reasonable cause to believe that such arrest or confinement was necessary for the preservation of order and discipline or for the safety of the vessel or the persons or property on board; and
- (2) he subjectively believed that the confinement was necessary for that purpose.

However, on the facts, the primary judge found, *inter alia*, that it was not reasonably necessary to continue to confine the Claimant beyond midday on 17 November because: (i) his movements could be observed using CCTV monitoring; and (ii) his continuing detention in conditions "akin to solitary confinement..." was not reasonable in the circumstances.

Accordingly, the Claimant was awarded general and aggravated damages in the sum of \$70,000 and \$20,000 respectively for the unlawful detention.

### On Appeal

The Defendant appealed, contending, amongst other things, that the primary judge erred in relation to his findings of fact; and that he should have found that the Defendant's justification defence was made out for the entire period of confinement.

The Defendant's appeal was allowed on the below grounds:

(1) In order to detain a person under Australian common law, a master must have reasonable cause to believe, and must in fact believe, that the relevant detention or confinement is necessary for the preservation of order and discipline, or for the security of the vessel or persons or property onboard;

(2) The judge erred in his findings of fact. On the evidence, the captain considered that continuing confinement was necessary to ensure that there was no interaction between the Claimant and A and her family; and the Defendant's justification defence was made out for the whole of the relevant period.

Consequently, the lower court's judgment for the Claimant was set aside. The Claimant was, additionally, ordered to pay the Defendants' costs of the initial proceeding as well as their costs of the appeal.

### **Hapag-Lloyd to purchase terminal and logistics operator**

Continuing its push into inland logistics, German container shipping line Hapag-Lloyd has agreed to purchase the shipping terminal and logistics businesses of Sociedad Matriz SM SAAM S.A. for a reported sum of US\$1 billion.



Hapag-Lloyd will take full control of both SAAM Ports and SAAM Logistics and will expand their worldwide presence to 10 terminals in six countries. As part of its Strategy 2023, Hapag-Lloyd continues to expand its involvement in the terminal sector and, as recently as last month, purchased a 49% stake in Italian terminal operator Spinelli Group. This followed on from investments in Germany and Egypt.

"The purchase agreement that has today been signed will further strengthen Hapag-Lloyd's business while building up a robust and attractive container terminal portfolio," the company said. Chile-based SM SAAM is a terminal operator, logistics company and towage provider with a presence in multiple countries across the Americas. It is reported that SAAM's tugboat services do not form part of the agreement.

"Investing in terminal infrastructure is a key element of our strategic agenda, and Latin America is one of our stronghold markets. Acquiring SM SAAM's terminal operations and complementary logistics services will help us to further strengthen our business while building up a robust and attractive terminal portfolio," said Rolf Habben Jansen, CEO of Hapag-Lloyd.

The deal is subject to final approval from the relevant antitrust authorities.

### **VesselsValue expands their Green data offering**



Last week, VesselsValue, one of the world's leading provider of maritime data, announced a further addition to their "Green Product Range" of data and services, the launching of their Carbon Intensity Indicator ("CII") and Engine Power Limitation ("EPL"). The new feature in VesselsValue's range of services will help their clients to calculate the Energy Efficiency score for an individual (existing or newbuilt) vessel by estimating fuel, distance and CO2 in real time.

Simon Rowse, VesselsValue's Head of Modelling & Data Science, commented: *"Increasing regulation of greenhouse gas emissions is highly likely to remove capacity from the Shipping system. For the first time, we can start to understand the extent to which each sector will be affected. We are helping organisations understand the extent to which each Shipping sector will be impacted by the imminent and ongoing introduction of environmental regulation."*

The important feature in VesselsValue's new services is that users will be able to review, quickly and easily, current and historical estimated CII ratings for individual vessels and fleets for ships over 5,000 GT. The relevant CII data will include for the relevant period *"CII rating (bands A-E), Attained and Required Annual Efficiency Ratio (AER), Co2 emitted, Distance travelled, Time underway and Fuel consumed"*.

As regards the EPL, VesselsValue's clients will be able to estimate a vessel's limited engine power and the reference speed as reduced for that vessel to become EEXI-compliant.

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