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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 – Seeing the Light

In celebration of the Diwali Festival it appears that many sellers of dry cargo tonnage will have to see the light in order to facilitate the sale of their tonnage. With little or no support from the freight market buyers are reluctant to offer aggressively for bulk carriers. The owners of the "E.R. BORNEO" (178,978 dwt/blt 2010 Hyundai, South Korea) have had a reality check, they invited offers with ideas in the region of US\$19m for the vessel, which benefits from having SS/DD passed this year and also having a scrubber fitted, but it seems only one buyer was willing to step forward with an offer in the 17's. The owners of the "AQUADONNA" (171,009 dwt/blt 2005 Namura, Japan) appear to have bitten the bullet with a reported sale at US\$12m, this a US\$ 3 m reduction to the August sale of the two years newer but also Japanese built "LOWLANDS ERICA" and despite the lower deadweight this price can be considered to be discounted.

A quiet week for kamsarmax and panamax bulkers, but supramax sales are still abundant with TESS58s gaining a lot of exposure. Contrary to the larger sizes prices remain relatively stable with maybe a little pressure on values as illustrated by the sale of the "SEA MELODY" (58,117 dwt/blt 2010 Tsuneishi Cebu, Philippines at US\$10.5m, which is down from the lesser spec "GLOBAL PHOENIX" (56,118 dwt/blt 2010 Mitsui, Japan) that was sold for US\$11m back in September.

### TANKERS – Turgid Times

It has been a comparatively quiet week in contrast to the preceding weeks' swollen sales tallies. The freshly reported "KALAMAS" (105,391 dwt/blt 2011 Sumitomo) is the only crude sale of note, sold to Performance Shipping for a fairly flat US\$22m in spite of her fitted BWTS newly fitted in July at Dry-docking, but Special Survey to be fully passed in January. Serving as reference points, the older

"BERGINA" (105,839 dwt/blt 2007 Tsuneishi) sold last week at US\$17.2m to Vietnamese, although is now suspected to have failed, and on the younger side the clean trading coated "CHAMPION PRINCESS" (105,258 dwt/blt Hyundai), sold a month ago at US\$26.5m, is seeing her twin brother "CHAMPION PRINCE" now in the market and set to put pricing to the test, as the Xihe Holding judicial sell-off also now enters a key week with a pair of SWS 2008 and 2009 built coated sister ships now inspecting.

With the world still consumed with Covid-19 turmoil and the crude markets still tormented it's easy to forget how in previous years there was constant Far Eastern fervour for VLCC fleet expansion by China VLCC, for example, wielding the threat of oversupply over the market. Now, as major developments are being made on the vaccine front and allowing mid-to-longer term market optimism to shine through, it's perhaps timely that Rongsheng Holding has teamed up with the Chinese state CSSC Shipping as joint venture entity Rongsheng Petrochemical with fresh ambitions to order some ten units shared out between the state-controlled shipbuilders, such as SWS, who seems to be the first nominated yard to build a pair of scrubber fitted united for US\$84m. Elsewhere in the newbuilding market there has been a handful of MR tanker orders contracted, notably with DaeSun stepping back into MR building with an order, rumoured to be from Sea Pioneer, for a potential quartet of ships at a sub-benchmark price of US\$33m.

## RECYCLING – Demand & Supply Scenario

The US\$400 barrier was breached this week with the sale of the New Shipping controlled Aframax "NEW PAROS" which achieved region US\$408 per LWT basis delivery to Pakistan in a 'Gas Free for Hot works' condition. This is likely to spark the interest of other Tanker owners who are willing to clean up their old ladies and deliver them to the Sub-Cont. There is still not an overwhelming supply of tonnage, which is disappointing, but there is sufficient enough activity and negotiations taking place to keep prices and demand firm. In the market place there are also a few units being temporised whilst trading opportunities get investigated/ exhausted, which gives added interest from cash buyers to secure those units that are actively available, even if it does mean paying better than last done levels as witnessed again this week. The Bangladesh cartel is still going and continues to buy tonnage at improving levels, but local buyers are still not able to compete with Pakistan 'at any price' to secure vessels as they had been able to do in the past. Yards, however, are filling up in Pakistan which may yet dampen demand going forwards, which could allow Bangladesh a chance to cut in by offering a little more aggressively for tonnage. Meanwhile in India Diwali celebrations are now taking place which will see them take a back seat on general activity, but upon their return we may see an injection of life into the Alang market with improved levels on offer.

## Gibson Sale & Purchase Market Report

### S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
<b>BULKERS</b>						
OLYMPIC HOPE + OLYMPIC HARMONY	182,640	both 2016	JMU Ariake (JPN)	JP Morgan	high 30s	BWTS + Scrubber fitted. SS due 2+4/21.
AQUADONNA	177,173	2005	Namura (JPN)	Greek buyer	12	SS due 10/20. No BWTS.
LEVANTO	73,926	2001	Jiangnan (CHN)	Undisclosed buyer	5.5	No BWTS.
SEA EAGLE	71,663	1998	Hitachi (JPN)	Chinese buyer	4.1	DD due 11/20.
KASTRO	58,780	2008	Tsuneishi Zhoushan (CHN)	Undisclosed buyer	8.6	DD psd 6/20. No BWTS.
SEA MELODY	58,117	2010	Tsuneishi Cebu (PHI)	Greek buyer	10.5	SS+BWTS psd 5/20.

STOVE CALEDONIA	58,092	2010	Tsuneishi Cebu (PHI)	Undisclosed buyer	11.8	TC back. SS+BWTS psd 1/20.
KAVO PLATANOS	56,750	2011	Jiangsu Jinling (CHN)	Chinese buyer	9.4	SS+BWTS due 12/20. Tier II M/E
LALIS D	55,648	2011	Hyundai Vinashin (VNM)	Chinese buyer	9.5	SS+BWTS due 8/21.
TRITON SWALLOW	55,580	2011	Mitsui (JPN)	Undisclosed buyer	11	SS+BWTS due 3/21.
NITON COBALT	52,471	2004	Tsuneishi (JPN)	Undisclosed buyer	5.5	
LENTIKIA	39,202	2015	Yangfan (CHN)	Nordic/Bertling	13.8	SS+BWTS psd 1/20.
FOOLS GOLD	28,436	2010	I-S Shipyard (JPN)	Greek buyer	6.4	SS+BWTS psd 5/20. Logs fitted.
SEXTA	18,367	2000	INP (KRS)	Undisclosed buyer	1.7	
<b>TANKERS</b>						
KALAMAS	105,391	2011	Sumitomo (JPN)	Performance Shipping	22	BWTS fitted. DD psd 7/20. SS due 1/21.
EVINOS	49,997	2013	STX Jinhae (KRS)	Marflet	23	IMO II/III. Deepwell. BWTS fitted.
STENA CONQUEST	47,136	2003	Uljanik (CRT)	Chinese buyer	9.3	IMO II/III. Deepwell. DD due 12/20.
ATLANTIC QUEEN + ATLANTIC PEGASUS	46,838	both 2010	Hyundai Mipo (KRS)	Torm AS	16.3 each	Deepwell. SS+BWTS due 11/20.
MARINE LION	6,941	2012	Guangxin Shipbuilding (CHN)	Singaporean buyer	5.6 (A)	Judicial sale. Twin engine.
<b>CONTAINERS/RO-RO/REEFER/PCC</b>						
CPO BREMEN + CPO HAMBURG	103,800	both 2009	Hyundai Ulsan (KRS)	Greek buyer	31 each	8580 TEU. Gearless.
GREENWICH BRIDGE	57,440	2006	Hyundai Ulsan (KRS)	MSC	14	5624 TEU. Gearless. SS+BWTS due 3/21.
HUGO SCHULTE + MARTHA SCHULTE	47,000	2010+2012	Shanghai Shipyard (CHN)	Undisclosed buyer	25 en bloc	3635 TEU. Geared.
NATAL	44,234	2007	Hanjin HI (KRS)	Meratus Line	8.85	3380 TEU. Gearless.
BOMAR HERMES	34,365	2006	Schichau (GER)	MSC	high 6	2496 TEU. Geared. SS+BWTS due 3/21.
KARIN RAMBOW	13,808	2005	Jiangsu Jinling (CHN)	SE Asian buyer	2.2	1118 TEU. Geared. Super 1A Ice class. SS+BWTS due 1/21.

**NEWBUILDING ORDERS**

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
<b>BULKERS</b>						
U-Ming	Capesize	190,000 dwt x 4	SWS (CHN)	2023		LNG dual fuel. Against long TC



Lepta Shipping	Capesize	180,000 dwt x 1	Yangzijiang (CHN)	2022		to Anglo American. Against long TC to Global Chartering.
Tongli Shipping	Kamsarmax	82,000 dwt x 2+1	Chengxi (CHN)	2022-2023		
<b>TANKERS</b>						
Rongsheng Petrochemical	VLCC	300,000 dwt x 2	SWS (CHN)	2022	84	Scrubber fitted.
Dee4 Capital	MR	50,000 dwt x 1	Hyundai Mipo (KRS)	2022	34.5	
Sea Pioneer	MR	50,000 dwt x 2+2	DaeSun (KRS)	2022-2023	33	
Proman Stena Bulk	MR	49,900 dwt +1	GSI (CHN)	2022		Methanol. IMO II. Dual fuel. Declared option.

### Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
<b>VLCC</b>						
ZOYA-1	1996 / Korea	300,482	42,515	Pakistan	365	under tow
<b>AFRAMAX</b>						
NEW PAROS	1998 / Japan	107,181	16,696	Pakistan	408	Gas Free For Hot works
<b>TANKER</b>						
ALBA	1998 / Croatia	47,431	9,755	Bangladesh	387	
PROJECT LINK	1989 / Korea	45,018	8,872	Bangladesh	385	
<b>CHEMICAL TANKER</b>						
MEDELIN WEST	1990 / Malaysia	15,999	4,826	Bangladesh	387	
TRUE COLORS	1993 / Korea	9,214	3,552	as-is UAE	381	
<b>MPP</b>						
PAC ACRUX	2003 / China	27,420	10,625	Pakistan	393	
<b>TWEEN DECKER</b>						
MAKO	1992 / Japan	9,595	3,668	Pakistan	370	
<b>GENERAL DRY CARGO</b>						
PING SHUN 1	1998 / Poland	44,575	10,041	Pakistan	385	

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

	Pakistan	Bangladesh	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	385/405	370/385	360/370	210/220
Dry Cargo/Bulk/Tween/Gen Cargo	370/385	360/370	350/360	200/210

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

	Newbuild	5 Year	10 Year
<b>Tankers</b>			

### Indices

C.O.B Friday

VLCC	85	65	43
SUEZMAX	56	45	30
AFRAMAX	46.5	34	21
MR	34	26	17
<b>Bulkers</b>			
CAPE SIZE	46.5^	26.5	18.5
KAMSARMAX / PANAMAX	25^	22k	12.75p
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)

<b>BDI</b>	1115
<b>\$/Yen</b>	104.91
<b>VLCC</b>	
AG/East	26
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.*

### UK to Adopt New Amendments to the Maritime Labour Convention



New legislation will give effect to amendments made by the International Maritime Organization to the Maritime Labour Convention (MLC) which came into force on 26 December 2020.

The UK is one of the first signatories to the convention to implement the amendments into national law. The new law will require that owners of UK-flagged vessels continue to pay their crew if they are held captive by pirates or armed robbers. The changes will ensure that any employment agreement with a seafarer will remain in place whilst they are held captive irrespective of whether that agreement has expired.

These amendments come at a time where crew kidnappings are on the rise, and particularly in West Africa. Earlier this year, the International Maritime Bureau (IMB) has reported 77 instances of hostage-taking or kidnapping during the first six months of 2020, compared to 75 in the corresponding period of 2019. Similarly, the IMB reports 98 incidents of piracy and armed robbery in the first half of 2020, compared with 78 in the corresponding period of 2019.

### 102<sup>nd</sup> Maritime Safety Committee (MSC) Meeting is Held Virtually



The 102nd meeting of the International Maritime Organization's ('IMO') Maritime Safety Committee ('MSC') took place virtually last week. The MSC deals with matters relating to maritime safety and security that encompasses both cargo and passenger shipping.

Some of the key decisions to come out of this year's meeting include the adoption of amendments to the International Convention for the Safety of Life at Sea ("SOLAS") and the International Code of Safety for Ships using Gases or other Low-flashpoint fuels ("IGF Code"). It was also agreed that the requirements for the separation of alcoholates and the requirements in relation to medical waste set out in the International Maritime Dangerous Goods Code ("IMDG") would be updated.

Following these MSC resolutions, SOLAS will be amended to further elevate safe mooring operations. Changes include, amongst other things, new guidelines on the design of mooring arrangements, as well as new requirements relating to the regime for the examination and upkeep of mooring equipment. These amendments will have effect on 1 January 2024.

The IGF Code is a relatively new convention that came into force in 2017. The MSC have approved the inclusion of a new provision in the IGF Code, requiring a fixed fire-extinguishing system in fuel preparation rooms with possible ignition sources. This requirement is expected to apply to ships constructed on or after 1 January 2024.

The MSC also discussed the ongoing pandemic in relation to the well-being of seafarers who face continued difficulties as nations close their borders. In response to this, the MSC approved the "Recommended Coronavirus (COVID-19) Framework Of Protocols For Safe Crew Change and Travel" (IMO Circular Letter No.4204/Add.14/Rev.1) in hopes that it would be adopted by all organisations to facilitate safe and effective crew changes during these times.

The full details of the discussion and resolutions of the MSC at their 102nd meeting will be available on the IMO website soon. The next key meeting will be held by the IMO's Marine Environment Protection Committee at their 75th session which meets between 16 November to 20 November 2020.

## **European Parliament Votes Against Outright Ban of Open-Loop Scrubbers**



The European Parliament Environment Committee has this week decided against a proposal for the outright ban of open-loop scrubbers. They have instead decided to phase-out their use as quickly and efficiently as possible, with the view to reducing sulphur emissions from ships.

This new decision comes after the Environment Committee last week discussed proposals for a simple outright ban on open-loop scrubbers that discharge directly into sea water within the EU. It was suggested that, although originally a step in the right direction, scrubbers are not sustainable and still damage the marine environment.

However, this week the proposal for the outright ban was amended with the acknowledgment that although not ideal or entirely sustainable, scrubbers do in fact address air pollution. It was also noted that significant investment has already been made by many shipowners in the technology, seeking to comply with current environment legislation.

No timetable for a phase out has been mentioned and the decision will now be considered by the EU's Transport Committee on 6th November.

## Singles in China and Abroad Show Off Their Spending Power



China's Singles Day, which took place earlier this week, is the world's largest 24-hour online shopping event. 1.9bn products were ordered and delivered for this event last year. Singles Day, also known as "11.11" or "Double 11", was originally created by online retailer Alibaba to celebrate the unattached, an antithesis to the more traditional Valentine's Day.

Cainiao, the logistics arm of Alibaba, claimed that it would reduce the delivery time of more than half of international parcels by 60%. The company employed more than 3,000 chartered flights and long-haul cargo ships to deliver its parcels outside of China. Customers in key European cities such as Madrid, Paris, Berlin and Warsaw received their parcels in as little as three days.

The cost of shipping goods from Asia to the US soared in the last month as American companies sought to restock depleted inventories ahead of the holiday season and prepare for the pandemic to worsen over the winter. Container shipping lines had cancelled hundreds of voyages in the early months of the pandemic as countries around the world closed their borders and global trade slowed.

Long term rates to the US west coast jumped by 12.7% over the second weekend of October following a 37.2% increase from the beginning of the month - the biggest overnight jump since 2015, according to Bimco. Prices now stand 63.4% higher than on the same day in 2019.

Demand for goods has rebounded as lockdowns have eased, causing the number of ships lying idle to fall from roughly 12% of the global fleet in May.

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