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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 – Paper Tiger?

The bulk buying binge continues unabated, still with a good concentration of sales centred around supramax vessels. Again we are seeing listed companies supplementing the purchase price with their shares as illustrated by Eagle Bulk's purchase of three supramaxes from Alterna Capital. This addition of paper rather than cash can be attractive for both parties with buyers being able to constrain the debt on their balance sheet and sellers being able to benefit from any appreciation in the dry market, which would hopefully be reflected in the share price. Obviously it's important what the agreed value of the share is and whether it is based on NAV or the current market quote, which may have bearing whether accepting this offering is a paper tiger or a shrewd market play.

As said, the sales momentum of supramax bulkers remains strong with prices remaining steady, while there does seem to be a lull in panamax and kamsarmax sales and this could be attributed to scarcity of candidates available and also the fact that understandably the pricing of these candidates is becoming increasingly aggressive from the sellers' perspective. It is evident the disparity in earnings between panamax/ kamsarmax and capesze bulkcarriers is quite unusual and many protagonists feel that it will not be long before capes reclaim the dominant their position with regard to earnings.

### TANKERS – Tanker Torment

How long can tanker owners maintain these poor returns before the cracks start to appear? Prices are under pressure and buyers keenly await new opportunities to set lower benchmarks. There is little to report other than the vintage section where the price has been uncovered on the **"MARAN CASTOR"** (306,344 dwt/blt 2001 DSME), which went to a Chinese buyer last week. The level is US\$2m cheaper than the same aged **"MARION"** (306,940 dwt/blt 2001 Samdung), which may be due to her due

survey dates, but could be combined with a diminished number of buyers as we approached Chinese New Year. We are hearing Middle Eastern buyers have picked up the suezmax **"LADY AVA"** (160,383 dwt/blt 2001 DSME) for around US\$13.4m with surveys due in March and with a number of similar units on the market we imagine these prices are under pressure.

In the aframax sector it is understood that the **"DUBAI HARMONY"** + **"DUBAI HOPE"** (115,340 dwt/blt both 2005 Samsung) have sold for a strong looking US\$13.6m each, with value added for a one year TC attached and with surveys passed recently. The ships were previously sold in February 2019 to currently owners at about US\$16m each. It is also widely reported that the younger **"EXPLORER SPIRIT"** + **"NAVIGATOR SPIRIT"** (105,800 dwt/both blt 2008 Tsuneishi) have been sold at US\$16m each to a Greek buyer.

## RECYCLING – Stable Scrap

Although activity is still relatively quiet from all markets, mainly due to the drop in prices witnessed a few weeks ago, there are sales taking place and signs that demand is clearly there. Price levels are now stable and if sentiments remain positive then we could see gradual improvements going forwards. Some owners will naturally want to see levels firming to encourage them to place their tonnage on the market, but throughout the Sub-Cont rates across the board range from between low to mid US\$400's which historically speaking are still healthy prices and above average.

## Gibson Sale & Purchase Market Report

### S&P SALES

| Vessel Name   | DWT     | Built                 | Yard                           | Buyers            | Price (\$/m) | Notes   |
|---|---------|-----------------------|--------------------------------|-------------------|--------------|---|
| <b>BULKERS</b>  |         |                       |                                |                   |              |   |
| COLOGNY   | 180,643 | 2011                  | Tsuneishi Cebu (PHI)           | Valhal Shipping   | 22.9         | SS due 5+9/21. Scrubber fitted. Eco.                  |
| GIANT SLOTTA  | 174,093 | 2006                  | Shanghai Waigaoqiao (CHN)      | Chinese buyer     | 12           | SS due 3/21. Sale inc. BWTS to be fitted.             |
| AQUABREEZE  | 171,012 | 2003                  | Sasebo (JPN)                   | Undisclosed buyer | 10.9         | DD due 1/21.  |
| KIND SALUTE   | 95,790  | 2011                  | Imabari (JPN)                  | Chinese buyer     | reg 16       | SS due 5/21.  |
| JJIANGSU NEWYANGZI 2015-2263 + '2264                                  | 81,800  | both 2021             | Jiangsu Newyangzi (CHN)        | Greek buyer       | 27.5 each    | Tier II. Dely 6+7/21.                                 |
| VASSOS  | 75,932  | 2004                  | Tsuneishi (JPN)                | Undisclosed buyer | 8.65         | DD due 10/21. BWTS fitted.                            |
| CAPTAIN TASSOS D  | 75,200  | 2011                  | Penglai Zhongbai Jinglu (CHN)  | Undisclosed buyer | 10.7         | SS+BWTS due 6/21.                                     |
| SBI ATHENA + SBI THALIA<br>SBI HERCULES + SBI PERSEUS +<br>SBI PISCES | 63,500  | both 2015<br>all 2016 | Chengxi (CHN)<br>Chengxi (CHN) | Undisclosed buyer | 88 en bloc   | BWTS fitted.  |
| SAGE SANAGA   | 63,500  | 2013                  | Yangzhou Dayang (CHN)          | Undisclosed buyer | 15.5         | DD due 12/21. BWTS fitted.                            |
| ULTRA WOLLONGONG  | 61,684  | 2011                  | Oshima Zosen (JPN)             | Pacific Basin     | 13.8         | SS due 6/21.  |
| COOPER + TEXAS + WILTON   | 57,970  | all 2011              | Yangzhou Dayang (CHN)          | Eagle Bulk        | 29.8         | 21.5 m Cash + 329,583 Common Shares (worth abt 8.3m). |

|   |                  |                   |                                    |                      |              |  |
|---|------------------|-------------------|------------------------------------|----------------------|--------------|--|
| SERENE LYDIA                              | 57,181           | 2010              | STX Dalian (CHN)                   | Chinese buyer        | 8.5          | SS psd 10/210.   |
| ORCHARD QUAY                              | 56,742           | 2011              | Qingshan (CHN)                     | Chinese buyer        | xs 8.5       | SS+BWTS due 11/21.                                     |
| JOIE N                                    | 56,557           | 2011              | Yangzhou Dayang (CHN)              | Chinese buyer        | 8.4          | SS+BWTS due 3/21.                                      |
| GREEN PHOENIX                             | 56,116           | 2011              | Mitsui (JPN)                       | Undisclosed buyer    | 11.2         | SS+BWTS due 1/21.                                      |
| VINCENT GENESIS                           | 55,773           | 2011              | I H I (JPN)                        | Undisclosed buyer    | 11.1         | SS+BWTS due 2/21.                                      |
| MELPOMENI                                 | 53,806           | 2002              | New Century (CHN)                  | Chinese buyer        | 5.3          |  |
| GENCO LORRAINE                            | 53,416           | 2009              | Yangzhou Dayang (CHN)              | Far Eastern buyer    | 8.1          | BWTS fitted.   |
| KITANA                                    | 52,454           | 2003              | Tsuneishi Cebu (PHI)               | Undisclosed buyer    | 5.7          | DD due 5/21.   |
| RED JACKET                                | 52,224           | 2008              | Oshima Zosen (JPN)                 | Greek buyer          | 8.75         | Open hatch/boxed. DD due 4/21. Waived inspection.      |
| OCEAN JOURNEY                             | 38,190           | 2014              | Shimanami (JPN)                    | Brave Maritime       | 13.8         | DD due 10/21. BWTS fitted.                             |
| BASIC OCEAN                               | 33,671           | 2012              | Shin Kurushima (JPN)               | Brave Maritime       | 10.8         | SS psd 10/20. BWTS fitted.                             |
| SAPPHIRE ISLAND                           | 33,671           | 2012              | Shin Kurushima (JPN)               | Brave Maritime       | 10.4         | BWTS fitted.   |
| PRINCESSE OUI                             | 33,375           | 2015              | Shin Kochi (JPN)                   | Brave Maritime       | 13           | BWTS fitted. BBHP.                                     |
| HOKKAIDO BULKER                           | 31,868           | 2013              | Hakodate (JPN)                     | Undisclosed buyer    | 10.5         | DD due 8/21. Logs fitted. Dely Feast 3/21.             |
| SUN PRIME                                 | 29,478           | 1998              | Shin Kurushima (JPN)               | Middle Eastern buyer | 3.5          | SS due 9/21.   |
| ES PLUTO                                  | 29,061           | 2012              | Nantong Yahua (CHN)                | Undisclosed buyer    | 7.2          | Logs fitted. Semi-boxed. Tier II. No BWTS.             |
| <b>TANKERS</b>                            |                  |                   |                                    |                      |              |  |
| MARAN CASTOR                              | 306,344          | 2001              | Daewoo (KRS)                       | Chinese buyer        | 22           | SS+BWTS due 3/21.                                      |
| LADY AVA                                  | 160,383          | 2001              | Daewoo (KRS)                       | Undisclosed buyer    | 13.4         | SS+BWTS due 3/21.                                      |
| DUBAI HARMONY + DUBAI HOPE                | 115,340          | both 2005         | Samsung (KRS)                      | Castor Maritime      | 27.2 en bloc | Coated. Dirty trading. 1 yr TC attached. SS psd 12/20. |
| EXPLORER SPIRIT + NAVIGATOR SPIRIT        | 105,800          | both 2008         | Tsuneishi (JPN)                    | IMS SA               | 16 each      |  |
| SICHEM BEIJING                            | 13,068           | 2007              | 21C Shipbuilding (KRS)             | Vietnamese buyer     | 5.2          | Epoxy. IMO II.   |
| PRECEDENCE                                | 9,000            | 2008              | Yangzhou Kejin (CHN)               | Undisclosed buyer    | 4.1          | Chemicals.   |
| <b>CONTAINERS / RO-RO / REEFERS / PCC</b> |                  |                   |                                    |                      |              |  |
| SONGA TOSCANA                             | 62,272           | 2013              | Jiangsu Newyangzi (CHN)            | TS Lines             | 42.3         | 4250 TEU. Gearless.                                    |
| AS FIONA + AS FRIDA<br>AS LAGUNA          | 16,430<br>11,775 | both 2003<br>2008 | Peene-Werft (GER)<br>Yangfan (CHN) | Undisclosed buyer    | 12.7 en bloc | 1200 TEU. Geared + Gearless. 970 TEU. Geared.          |



## NEWBUILDING ORDERS

| Ordering Client                          | Vessel Type   | Size / No. of units | Shipyard (Country)     | Delivery  | Price (\$m) | Notes   |
|--|---------------|---------------------|------------------------|-----------|-------------|---|
| <b>BULKERS</b>                           |               |                     |                        |           |             |   |
| Maki Kisen                               | Ultramax      | 61,000 dwt x 1+1    | DACKS (CHN)            | 2022      |             | Tier II.  |
| Navibulgar                               | Laker         | 31,800 dwt x 2+2    | Yangzijiang (CHN)      | 2022-2023 |             |   |
| <b>TANKERS</b>                           |               |                     |                        |           |             |   |
| Nanjing Tankers                          | MR            | 50,000 dwt x 4      | GSI (CHN)              | 2022-2023 | 35          |   |
| <b>CONTAINERS / RO-RO / REEFER / PCC</b> |               |                     |                        |           |             |   |
| Capital Maritime & Trading               | Containership | 13,000 TEU x 4      | Samsung (KRS)          | 2022-2023 | 103.5       | SVESSEL smart ship system.                      |
| Capital Maritime & Trading               | Containership | 13,000 TEU +2       | Hyundai Samho (KRS)    | 2022-2023 | reg 100     | Declared options.                               |
| StarOcean Marine                         | Containership | 1,800 TEU x 8+4     | Yangzijiang (CHN)      | 2022-2023 |             |   |
| NYK                                      | PCC           | 7,000 CEU x 4       | CMI Jinling (CHN)      | 2022-2023 |             | LNG fueled. X-DF2.0 iCER main engine + Battery. |
| <b>GAS</b>                               |               |                     |                        |           |             |   |
| NYK                                      | VLGC          | 86,500 cbm x 2      | Kawasaki Sakaide (JPN) | 2022      |             | LPG fueled. Deck tanks. 230m LOA.               |
| Benelux Overseas                         | LPG           | 40,000 cbm x 2+1    | Hyundai Mipo (KRS)     | 2023      | 44          |   |

## Recycling Activity

| Vessel Name              | BUILT        | DWT     | LWT    | Delivery         | Price (\$/lwt) | Notes    |
|--------------------------|--------------|---------|--------|------------------|----------------|----------|
| <b>VLOC</b>              |              |         |        |                  |                |          |
| MERCHANT                 | 1998 / Korea | 322,398 | 37,538 | Bangladesh       |                | old sale |
| <b>PANAMAX BULK</b>      |              |         |        |                  |                |          |
| RIGEL                    | 1998 / Japan | 72,465  | 10,216 | Bangladesh       | 449            |          |
| <b>AFRAMAX</b>           |              |         |        |                  |                |          |
| MARQUESSA                | 2006 / China | 104,595 | 18,070 | Manilla          | 331            |          |
| <b>TANKER</b>            |              |         |        |                  |                |          |
| IRINI I                  | 1982 / Japan | 38,973  | 10,195 | Sub-Cont options | 445            |          |
| <b>RO-RO / PASSENGER</b> |              |         |        |                  |                |          |
| LUCINO 1                 | 1996, Japan  | 5,599   | 10,444 | Bangladesh       |                | old sale |

## Recycling Prices (US\$/LWT)

|                                | Bangladesh | Pakistan | India   | Turkey  |
|--------------------------------|------------|----------|---------|---------|
| Tank/Cont/Ro-Ro/Capes/LPG/PCC  | 440/455    | 430/440  | 430/440 | 245/255 |
| Dry Cargo/Bulk/Tween/Gen Cargo | 430/440    | 420/430  | 420/430 | 240/250 |

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

|                     | Newbuild | 5 Year Old | 10 Year Old |
|---------------------|----------|------------|-------------|
| <b>Tankers</b>      |          |            |             |
| VLCC                | 88       | 65         | 46          |
| SUEZMAX             | 58       | 44         | 29          |
| AFRAMAX             | 48       | 33         | 21.5        |
| MR                  | 34.5     | 27         | 18          |
| <b>Bulkers</b>      |          |            |             |
| CAPE SIZE           | 48^      | 28         | 22          |
| KAMSARMAX / PANAMAX | 27k^     | 24k        | 16.5k / 15p |
| ULTRAMAX / SUPRAMAX | 25u^     | 20.5u      | 11.75s      |
| HANDYSIZE           | 23.5^    | 15         | 9.5         |

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

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**Indices**

|               | C.O.B Friday |
|---------------|--------------|
| <b>BDI</b>    | 1339         |
| <b>\$/Yen</b> | 105.03       |
| <b>VLCC</b>   |              |
| AG/East       | 27           |
| TD3 (WS)      |              |

## 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.*

### India Aims to Double Ship Recycling Capacity by 2024



Last week, India's Finance Minister, Nirmala Sitharaman, announced in the annual Union Budget that the country's ship recycling capacity will be doubled by 2024. Increasing efforts will be made by the Indian government to attract more end of life vessels from Japan and EU countries.

India has the world's largest ship recycling operation — the Alang-Sosiya ship recycling yards situated on the west coast of Gujarat. At present, Alang-Sosiya has nearly 120 active recycling yards dismantling end of life ships to extract various

types of scraps and equipment for recycling and reusing.

In pursuit of its goal to maintain a stronghold on the ship recycling sector, India has begun to implement new policies for environmental and worker protection, enacting the Recycling of Ships Act in 2019. That same year, dozens of Indian shipbreaking yards acceded to the Hong Kong Convention on Ship Recycling (HKC) which provides a framework for safe and more environmentally conscious vessel

recycling. After the convention was implemented, around 90 ship recycling yards across the Indian shipyard of Alang achieved HKC-compliant certificates. Prior to this, countries like Japan, Europe and the US were refusing to send their ships for recycling to India without a global convention in place.

India's Ports, Shipping and Waterways Minister Mansukh Mandaviya recently announced India's ambitious plan to grab 50 percent of the global ship recycling business. Its current share stands around 30 percent at present. Right now, India recycles around seven million GT worth of ships per year, followed by Bangladesh, which recycles 6.8 million GT. Pakistan comes next with 3.7 million GT, followed by China, with 3.4 million GT.

### **Bimco Standardises Terms for Chartering Security Escort Vessels Amidst Increase in Pirate Activity**



In response to demand from members, Bimco is developing a new contract to facilitate the chartering of security escort vessels (SEVs) amidst a rise in piracy off the coast of West Africa. The contract is to be based on the Guardcon form currently in common use within the industry for employing security personnel on ships.

Currently, local laws make it difficult for shipowners to call at ports in the West African region with foreign armed guards on board their vessels. Conversely, some countries also prohibit local armed guards from boarding foreign vessels.

Private maritime security companies have therefore been implementing SEV services in these areas in partnership with local navies to comply with local regulations. These often carry local armed guards and sometimes accompanied by a PMSC liaison officer from a PMSC.

Bimco believes that the new contract will make it easier and faster for shipowners and PMSCs to put charters for SEVs in place.

### **Japanese Submarine Collides with Commercial Ship in the Pacific**



This week one of the Japanese Maritime Self-Defence Force's Sōryū-class submarines (also named the "Soryu") collided with a commercial ship off Cape Ashizuri, Shikoku, on Japan's southern coast.

The Soryu is an 84m 2,950-gt navy submarine that was commissioned in 2009 and has a crew of 65. It is the first in its class of Japanese diesel electric-powered submarines.

Whilst conducting routine training, sailors onboard saw the Ocean Artemis – a bulk carrier built in 2011 - through the periscope. Unable to avoid the collision, the submarine scraped the underside of its hull of the ship as it surfaced, damaging its fairwater planes and communications equipment. Damage sustained to the antenna mast as a result of the collision meant that the crew had to use mobile phones to contact authorities and inform them of the incident. Three Japanese sailors also sustained minor injuries.



The Hong Kong-registered Ocean Artemis is not reported to be damaged and is still seaworthy. The Soryu was also able to carry on sailing until it reached Kochi port. The Japan Coast Guard said it would open an investigation and the Japan Transport Safety Board has already begun its own probe.

This incident comes almost 20 years to the day when a US nuclear-powered attack submarine accidentally hit a Japanese fishing vessel near Honolulu, wrecking the ship and killing nine people.

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