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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.
+44(0) 20 7667 1000 - sap@eagibson.co.uk - www.gibsons.co.uk*

Tankers – Suezmax Shuffle

Holidays are in full swing and activity, as you can expect, is a little subdued. A number of 'off market' sales have come to light in the LR1/Panamax sector with names changed already. One is the "**LILA ALABAMA**" (72,514 dwt / built 2004 Samsung, S. Korea) which we understand has gone to a Greek buyer for US\$18m; interestingly she had been tied up to others in January at US\$ 21-21.5m but the deal fell through. The ex-owners picked the vessel up for a scrap related US\$9.75m in March 2022, so still a good return on investment even with surveys being passed.

Enquiry is still strong in the suezmax sector but owners don't seem to be tempted to sell in the softer spot market and perhaps waiting for Q4 where rates are expected to strengthen. Owners of the "**MONTE TOLEDO**" (150,611 dwt / built 2004 Universal, Japan) have patiently waited to achieve levels of around US\$35.5m and we hear a Nigerian buyer has stepped up and committed the vessel. She is a well maintained unit, scoring 86 on her Idwal inspection report and is scrubber-fitted.

Dry Cargo – August Vibes

As we approach the middle of August, a period traditionally associated with vacations and reduced market activity, there are some examples of proactive engagement by certain market participants amidst the prevailing tranquility.

Of notable interest to buyers are modern vessels, with the oldest of the larger dwt this week being the Cape "**ARIADNE**" (180,010 dwt / built 2009 Daewoo, South Korea) achieving US\$21.5m. A comparative analysis against the recent sale of "**SHIOSAI**" (176,827 dwt / built 2009 Namura, Japan) at US\$20.85m, two weeks prior, reveals that prices are maintained and that is supported by more buyers coming in. Another noteworthy transaction involves the Kamsarmax vessel "**NAVIOS SOUTHERN STAR**" (82,224 dwt / built 2013 Tsuneishi, Japan) to a Greek buyer for a consideration



of US\$21.8m, bucking recently softening benchmark ideas although benefiting from a Special Survey recently passed in April.

A distinct trend towards demand for modern Ultramax vessels is becoming increasingly evident. Most recent sales include the "**NORD AMAZON**" (64,499 dwt / built 2020 Oshima Zosen, Japan) which reportedly changed hands at US\$31.5m and "**SSI FORMIDABLE**" (63,510 dwt / built 2017 Jinling, China) at US\$27m. Danish-based owner Nord continues to execute divestitures subsequent to the sale of "**NORD EVEREST**" (60,436 dwt / built 2016 Oshima Zosen, Japan) last week at a reported US\$24.5m. The sale of "**NORD AMAZON**" attracted several offers and was promptly concluded, with some brokers suggesting a repeat Greek buyer.

Turning to the handysize segment, three sales transactions have been reported, all involving modern vessels. The "**SHIKOKU ISLAND**" (33,443 dwt / built 2014, Shin Kochi, Japan) is reported sold for US\$19.3m basis a two-year BB agreement. Additionally, "**BULK TRADER**" (37,845 dwt / built 2018 AVIC Weihai, China) achieved a price point of approximately US\$20m under a TC until the beginning of 2024, with a daily rate of US\$12.5k. This move appears to reflect a prudent hedging strategy in response to the decline in spot rates and in a what to be an unpredicted future market environment.

Recycling – El Carnaval de Containers

This week witnessed a remarkable resurgence in the Alang recycling industry, with industry giants MSC and Maersk divesting one and two ships respectively. MSC successfully sold "**MSC ERMINIA**" (47,384 dwt/ built 1993 Shin Kurushima Shipbuilding, Japan) for a price range of US\$ 500-505/ldt for delivery in India, and "**MSC LANA II**" (29,337 dwt/ built 1999 Gdynia, Poland) for US\$ 515-520/ldt also to India. Both ships were sold for HKC Green recycling in an MSC-approved facility. This strategic tango in ship dispositions perhaps bears the fingerprints of a nadir for Indian recycling prices, given the recent sale of their larger comrade, "**MSC FEDERICA**" (67,713 dwt / built 1990 Odense, Denmark), which, a mere fortnight ago, fetched a price of US\$ 510/ldt following weeks of inexorable decline. Another noteworthy vessel is "**MAERSK PATRAS**" (37,842 dwt / built 1998 Kvaerner Warnow, Germany), sold for US\$ 405/ldt bss with delivery in the UAE for subsequent scrapping in Alang. The hallmark of Maersk's scrupulous recycling standards, however, necessitates a lengthier process, diverging from the customary six-month trajectory for comparable vessels, thereby weaving a discount into the price. Simultaneously, Bangladesh has maintained active presence in the market, purchasing "**SOL STRAITS**" (22,900 dwt/ built 1997 Gdynia, Poland), "**ALBA I**" (74,750 dwt / built 2001 Hudong Zhonghua, China), and "**GREEN BAY**" (54,442 dwt / built Hitachi, Japan), marking the third consecutive week of increasing Bangladeshi engagement in the industry.

On a more elemental plane, India has experienced the most substantial increase in steel demand for the first six months in the last six years, promising a positive outlook for steel sourced from ship recycling. However, the substantial influx of Chinese steel landing on Indian shores poses challenges for smaller steel mills. Meanwhile, the recycler's fate in Pakistan seems mired in the doldrums, as the crucible of demand for steel there remains a scant ember. A stark contrast emerges in the Bangladeshi recycling domain, as a phoenix-like resurgence from past economic tribulations is epitomised by the increase in dismantling of larger vessels on their shores.

In summary, we believe that recycling prices have largely reached their trough, with minimal chances of further decline. Only the end of monsoon season, and some green lights from positive global economic indicators can reinvigorate the now sullen market activity.



Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
ARIADNE	180,010	2009	Daewoo (Korea)	Undisclosed	21.5	SS due 2/24.
NAVIOS SOUTHERN STAR	82,224	2013	Tsuneishi (Japan)	Greek buyer	21.8	SS psd 4/23. BWTS.
NORD AMAZON	64,499	2020	Oshima Zosen (Japan)	Meadway	32	DD due 7/23. BWTS+Scrubber.
SSI FORMIDABLE	63,510	2017	Jinling (China)	Undisclosed	27	DD due 1/26. BWTS.
KK MINERAL	45,429	2017	Tsuneishi Zhoushan (China)	Chinese buyer	22.1	DD due 7/25. BWTS.
BULK TRADER	37,845	2018	AVIC Weihai (China)	Undisclosed	reg 20	DD due 11/25. BWTS. TC back to 2/24 @ \$12.5k pd. SS due 11/24.
SHIKOKU ISLAND	33,443	2014	Shin Kochi (Japan)	FGM	19.3	Logs. BWTS. Basis 2 yrs BB back.
TANKERS						
MONTE TOLEDO	150,611	2004	Universal (Japan)	Nigerian buyer	35.5	SS due 5/24. BWTS+Scrubber. Cap1. Dely 10/23.
PRO JADE	46,757	2003	Hyundai Mipo (Korea)	Undisclosed	12	Deepwell. SS due 11/23.
WAWASAN BLUEFIN	19,997	2008	Shin Kurushima (Japan)	Undisclosed	18.5	Stainless steel. SS due 8/23. BWTS.
AD PRINCESS	7,053	2012	Zhejiang Haicheng (China)	Undisclosed	5.8	Epoxy. 3 grades. DD due 12/24. BWTS.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
TANKERS						
Eastern Pacific Shipping	Suezmax	158,000 dwt x 2	New Times (China)	2025-2026	est. 87	LNG dual-fuel. Ordered in 6/23.
International Seaways	LR1	75,000 dwt x 2	K Shipbuilding (Korea)	2025	57	
Jaldhi Overseas	MR	52,000 dwt x 2	YAMIC (China)	2026		
An Tankers (linked to TMS Tankers)	MR	50,000 dwt x 2	Chengxi (China)	2025-2026	42	
Hafnia Tankers -JV-Socatra Shipping	MR	49,800 dwt x 2	GSI (China)	2025-2026	xs 50	Methanol dual-fuel. Against long TCs to TotalEnergies
Xingtong Shipping	Chemicals	25,900 dwt x 2	Wuchnag (China)	2025		St.Steel. Tier II. EEXI 3.
GAS (LNG / LPG / LAG / CO2)						



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Evalend Shipping	LNG	174,000 cbm x 2	Hyundai Ulsan (Korea)	2027	265 / 260	
BULKERS						
Chellaram Shipping	Ultramax	63,000 dwt x 1	New Dayang (China)	2026		
CONTAINERS / RO-RO / REEFER / PCC						
MSC	Containership	10,300 TEU x 10	Zhoushan Changhong (China)	2026-2027	est. 130	LNG dual-fuel. C- type LNG tanks. Shaft gen. Shower power.
Eastern Pacific Shipping	PCTC	7,000 CEU x 4	CMJL Nanjing (China)	2026		LNG dual-fuel Against Ion TCs.

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tankers / Cont / Ro-Ro / Capes / PCC / LPG / LNG	525/540	515/530	510/515	
Bulkers / Tween / General Cargo	510	505	500	

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
Tankers					
VLCC	126	99	74	48.7	52.0%
Suezmax	85	72	58	34.6	67.6%
Aframax	69	63.5	51.5	26.9	91.4%
MR	47	40.5	32	19.3	65.8%
Bulkers					
Capesize	63.5^	47 (eco)	28	24.4	14.8%
Kamsarmax	35^	31	21.5	16.7	28.7%
Ultramax / Supramax	33^	28.5	18.5	14.7	25.9%
Handysize	30^	24	17	11.8	44.1%
^ = 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.

ReCAAP ISC Issues Alert over Robbery Incidents in Singapore Strait



On 9 August 2023, the Regional Cooperation Agreement on Combating Piracy and Armed Robbery Against Ships in Asia (ReCAAP) issued a notice over incidents occurring in the Singapore Strait between 7 to 9 August 2023. There were four incidents that took place on board vessels underway in the Traffic Separation Scheme in the Singapore Strait.

It is reported that all the incidents occurred to bulk carriers while making way through the eastbound lane of the TSS. One of the incidents involved armed perpetrators. In all four incidents, it is reported that engine spares were stolen. ReCAAP states that no crew were injured.

The notice from ReCAAP also reports that a total of 55 incidents were reported in the Straits of Malacca and Singapore since January 2023. The Singapore Strait however, recorded majority of the incidents with 51 incidents occurring there and 4 in the Malacca Strait. In contrast, in the entirety of 2022, a total of 55 incidents were reported in the Straits of Malacca and Singapore.

In its notice, ReCAAP urges, amongst other things, that surrounding states increase surveillance in their waters and respond immediately to any reported incidents. Vessels are also advised to increase vigilance and to keep a good look-out while underway in such areas of concern, especially in hours of darkness, and to adopt measures set out in the Regional Guide 2 to Counter Piracy and Armed Robbery against Ships in Asia.

The ReCAAP notice can be read [here](#).

UK's Coastal Communities to Benefit from Shipbuilding Scheme



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The UK government has launched the Shipbuilding Credit Guarantee Scheme (SCGS), a significant component of the £4 billion National Shipbuilding Strategy Refresh aimed at reviving the shipbuilding sector and boosting coastal communities. Through the SCGS, the Government will act as a guarantor for lenders, facilitating access to credit for buyers purchasing UK-built vessels or upgrading existing ones. This initiative is expected to generate hundreds of jobs and contribute substantial economic benefits, particularly in areas like Liverpool, Plymouth, the Solent, Rosyth, Clydebank, and Belfast.

By sharing the risk with lenders on a percentage of the value of the loans, the SCGS encourages financing offers to UK vessel owners and operators, contributing to the growth of the shipbuilding industry. The scheme aligns with the UK's commitment to maritime excellence, promoting domestic shipbuilding, supporting skilled jobs, and supporting the export ambitions of the wider economy.

This move is not only an investment in the shipbuilding sector but also a strategic boost for the broader green economy. Encouraging the purchase, construction, and repair of high-value vessels will drive innovation in sustainable, low-carbon maritime technologies, aligning with the UK's environmental objectives.

Read more about this [here](#).

For more information, please contact:

James Clayton

Tel: +44 (0) 207 855 9669

Email: jamesc@CJCLaw.com

www.cjclaw.com



Campbell Johnston Clark

Gibson Shipbrokers

Tel: +44(0) 20 7667 1000

Email: sap@eagibson.co.uk

www.gibsons.co.uk

