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## Gibson Sale & Purchase Market Report



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### Tankers – Spring is in the Air

It may still be winter but there's smell of spring, or renewal at least, when considering recent owner moves to modernise their fleets. Certainly the newbuilding orderbook is blossoming this week with a bumper haul of contracts across the board. It's been another active week for rare shuttle tanker interests to come out of hibernation, with ExxonMobil's 2+2 LNG dual-fuelled Suezmax order last week at Samsung, S. Korea, and now compatriot DH Shipbuilding also winning a trio of slightly larger dual-fuelled 154,000 dwt Suezmaxes from Maran Tankers at US\$ 133 m apiece, while shuttle tanker market veterans Knutsen NYK (KNOT) has opted to book triplets in China at Cosco Zhoushan for a lower price touted to be reg/xs US\$ 100 m per unit for conventional fuelled tankers. Meanwhile, Tor Olav Troim has nominated Andes Shipping as a vehicle for a pair of VLCCs at New Times, China, with an option for LNG dual-fuel, adding to previous orders placed in 2023 at the same yard under sister concern Magni Partners. Chinese shipbuilder Chengxi has also enjoyed fair weather attracting three separate owners for upto an aggregate 12 units on undisclosed terms.

In keeping with fleet rejuvenation, Ardmore's reported purchase at the start of the month of the "**ST PAULI**" (49,999 dwt / built 2017 Hyundai Mipo, S. Korea) at US\$ 42 m seems now offset with the reported sale of its "**ARDMORE SEAFARER**" (49,999 dwt / built 2010 Onomichi, Japan) to Indian interests at US\$ 27.25 m – a firm price for a pump-room MR but with Onomichi often holding some additional market appeal. Undisclosed Greek interests are also rumoured to have seized resale opportunities with Steelships suggested as having divested two 2025 delivery MR tankers ex-K-Shipbuilding sold at US\$ 49.5 m each, cashing in on the reported US\$ 46.3 m contract price agreed in May last year.

### Dry Cargo – Dry Drum

The dry sale and purchase activity drum continues to keep on beating with a large selection of sales of vessels for all types. With a few major buyers playing to the same tune, evident by strong interest in



Newcastlemax and Capesize bulkers. Certainly it is apparent the firm pricing we have seen in this sector over the last few weeks is being maintained, as illustrated by the sale of the two Newcastlemax bulkers, namely the "**BULK SEOUL**" & "**BULK SHANGHAI**" (208,000 dwt / built 2019 New Times, China) at US\$ 63.75 m, which is in line with last week's sale of the Polaris vessels. Although no price has been reported at time of writing it is certain that the reported sale of the Genco controlled capesize bulkers, the "**GENCO MAXIMUS**" & "**GENCO CLAUDIUS**" (169,000 dwt / built 2009/2010 Sungdong, S. Korea) will far exceed the sale in November 2023 of 2019 built sister, the "**GENCO COMMODUS**" at US\$ 19.5 m and likely to be well in excess of US\$ 25.

The rhythm for kamsarmax bulkers seems a little more erratic with some disparity in prices being shown, with some vessels achieving firm prices and others not achieving the heights that might be expected of them. The reported sale of the "**IONIC KATANA**" (82,936 dwt / built 2005 Tsuneishi, Japan) at USD 13.3 m drowned out the price achieved last week by the "**NAVIOS HARMONY**" (82,790 dwt / built 2006 Tsuneishi, Japan) at US\$ 12.2 m. It has been some time since we reported a middle aged Ultramax sale and the sale of "**OCEAN VENUS**" (61,494 dwt / built 2012 Shin Kasado., Japan) at US\$ 20.8 m gives an interesting comparison to the last sale of a similar aged vessel, the "**SANTA VICTORIA**" (61,438 dwt / built 2012 Iwagi, Japan) at US\$ 19.8 m in November 2023, which taking account the annual transition shows around 10 pct uplift.

### Recycling – Back with Bang(ladesh)

Scrap markets in Alang have stabilised in recent weeks. Although there has been no increase in local steel plate prices the decline has stopped for the time being at least giving a much needed breather to ship-breakers. However, overall sentiments in India are generally still weak and likely to remain so until the end of General Election scheduled for April/May 2024.

Meanwhile, in Bangladesh there has been positive development with many ship-breakers being able to open LCs even for larger vessels with several ships being sold into Chittagong at fairly attractive rates, as this week's list of recycling sales demonstrates.

Pakistan continues to languish in the doldrums despite recent election results, which failed to ignite the Recycling industry as had been hoped and until the economic situation improves the recycling industry is likely to be remain very quiet.

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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.*



### Claim made to EU Court against FuelEU Maritime Regulation



A legal challenge has been launched to partially annul a section of the FuelEU Maritime Regulation. On the 18<sup>th</sup> of December 2023 a case was filed to the European General Court.

The FuelEU regulation has been proposed as part of the 'Fit for 55 package'. This initiative has been put forward to reduce Greenhouse Gas (GHG) emissions within the shipping sector and encourage consistent use of renewable and low-carbon fuels. The EU aims to be a climate neutral continent, with net-zero GHG emissions by 2050. However, concerns have been raised by the Director General of ePURE about the EU's approach to crop-

based ethanol. ePURE represents European renewable ethanol producers and their members account for 85% of EU Renewable ethanol production.

It is reported that the action was filed on the basis that the proposed FuelEU regulation did not consider the scientific data on biofuels and failed to adhere to several key EU procedures such as the principle of proportionality and equal treatment in view of producers. It is said that the provisions treating such biofuels as equal to the most carbon intensive fossil fuels does not recognise benefits of sustainable crop-based biofuels like renewable ethanol.

The Director General of ePURE, David Carpinetro said that, "The EU's conflicting stances on renewable ethanol jeopardizes decarbonisation goals" and that Europe should do better to adopt proven domestic solutions such as ethanol.

The case was filed by members of ePURE, the European renewable ethanol association and Pannonia Bio Zrt.

The press release by ePURE can be read [here](#).

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