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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 – Thanks Giving

As America celebrates its "Thanks Giving" holiday dry cargo owners will be giving thanks to the slowing appreciating dry cargo freight market, but this optimism will have to be tempered by the fact that in the last two years the BDI has fallen dramatically during the early to middle part of December and never really recovering until after the first quarter of the following year. Further to our previous advice regarding the "**E.R. BORNEO**" (178,978 dwt/blt 2010 Hyundai, South Korea) we can now confirm the vessel is committed at US\$17.8m basis SS/DD passed this year with BWTS fitted, which is a considerable discount against similar units recently sold. Otherwise it does appear to be a slowing down of bulker transaction with fewer sales being reported. Interestingly we are hearing on one panamax bulker under negotiation, namely the Japanese controlled "**SHOYO**" (77,008 dwt/blt 2008 Namura, Japan), which is being reported to be under discussions at excess US\$11m basis SS/DD freshly passed and BWTS fitted, which if done would be down in comparison to the sale in September of the "**PRISCILLA VENTURE**" (77,283 dwt/blt 2008 Oshima Zosen, Japan) that was sold at US\$11.35 m basis intermediate due in 2021 and no BWTS.

TANKERS – Revaluations

While the Xihe Holding judicial sell-off continues to engage would be VLCC buyers, it seems that Zodiac Maritime managed to acquire a pair of units, namely "**KUN LUN SAN**" + "**WU TAI SAN**" (318,000 dwt/blt 2011 SWS) in preceding weeks in bank managed sales for a reported US\$35m apiece, with the tankers now already renamed. Amidst suggestions that the two year younger sister "**LONG HU SAN**" (blt 2013) has seen offers in the low 40s, there is also new speculation that the price achieved on the

"JIN GANG SAN" (blt 2013) reported at US\$48m to Maran Tankers may even have been concluded at a similar lower level.

Vietnamese buyers are finding value in teenage aframaxes with FGas newly rumoured to have secured the "ANTARCTICA" (114,849 dwt/blt 2006 Samsung) for US\$14m, albeit with Special Survey due (and BWTS fitting required) vis-à-vis the "BERGINA" (105,839 dwt/blt 2007 Tsuneishi) previously reported to Vietnamese buyers at the start of November for US\$17.2m, dry-docked in April.

Finally, as the week has brought some improvements to earnings in the products arena it seems Eastmed has made a potentially timely and shrewd purchase of the clean trading "CHAMPION PRINCE" (105,258 dwt/blt 2012 Hyundai) for close to US\$24m, whereas rewind just one month and same aged sister "CHAMPION PRINCESS" changed hands for US\$26.5m.

RECYCLING – Cartel Crashes!

As anticipated, although lasting longer than many had expected, this week brought news that the cartel in Bangladesh has been disbanded. For a number of weeks now the recyclers in Bangladesh were simply unable to compete on a level playing field with their competitors in Pakistan, therefore now that the cartel is no more there are no reasons nor excuses for breakers in Chattogram not to roll up their sleeves and compete, especially as there is such pent up demand for tonnage. Open competition will surely be good for all Sub-Cont markets where levels are firming due to the lack of available tonnage for scrap, not least for the owners themselves who will see the residual values of their old ladies yet again start increasing as price levels from cash buyers and breakers continuing to firm across the board. Positive news elsewhere from India too where they are beginning to flex their muscles in the hope of securing much needed tonnage. Although just a few sales are being reported overall, we expect next week to have confirmation of some large tonnage which will no doubt be in excess of US\$400 per LWT.

Gibson Sale & Purchase Market Report

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
SEN-OKU	206,306	2006	Imabari Saijo (JPN)	Chinese buyer	15	SS+BWTS due 8/21.
E.R. BORNEO	178,978	2010	Hyundai Gunsan (KRS)	Undisclosed buyer	17.8	SS+BWTS psd 1/20. Scrubber fitted.
CETUS OCEAN	82,986	2013	Sanoyas (JPN)	Undisclosed buyer	17.5	SS psd 3/20. BWTS fitted.
HAI LU	76,629	2004	Imabari (JPN)	Chinese buyer	7.68 (A)	Auction sale (Reserve \$6.5m).
SBI ANTARES + 'BRAVO + 'HYDRO + 'MAIA	61,500	all 2015	NACKS (CHN)	Undisclosed buyer	16.75 each	Deliveries 1Q 2021.
TANKERS						
KUN LUN SAN	318,757	2011	SWS (CHN)	Zodiac Maritime	35	DBS Bank sale. SS+BWTS due 11/21. Already renamed.
WU TAI SAN	318,663	2011	SWS (CHN)	Zodiac Maritime	35	DBS Bank sale. SS+BWTS due 4/21. Already renamed.
ANTARCTICA	114,849	2006	Samsung (KRS)	FGas	14	SS+BWTS due 5/21. Ice 1A.

CHAMPION PRINCE	105,258	2012	Hyundai Ulsan (KRS)	Eastmed	high 23	Products.
MARITINA	74,993	2006	Onomichi (JPN)	Undisclosed buyer	12.5	SS+BWTS due 3/21.
TORM CAMILLA	46,219	2003	STX Jinhae (KRS)	Chinese buyer	9.75	Deepwell. IMO II. DD due 7/21.
VALLE DI ARAGONA	42,721	2001	Hyundai Mipo (KRS)	Indonesian buyer	7	Deepwell. IMO II. Cap 1. SS+BWTS due 4/21.
SICHEM MANILA	13,125	2007	21C Shipbuilding (KRS)	Undisclosed buyer		IMO II. Marineline.
GENERAL CARGO / MULTI-PURPOSE						
GMB ASTERIA + GMB ATHENA GMB ALCMENE + GMB ARTEMIS	53,000 53,000	both 2010 both 2009	Zhoushan Wuzhou (CHN) Zhoushan Wuzhou (CHN)	COSCO	34 en bloc	2,033 TEU. Geared. 2,033 TEU. Geared.
CONTAINERS / RO-RO / REEFER / PCC						
MIRAMARIN	85,522	2010	Hanjin Hi (KRS)	KMTC	27.5	6572 TEU. Gearless. SS+BWTS psd 1/20.
UNI FLORIDA	42,950	2007	Hyundai Mipo (KRS)	Simatech	reg 10	3450 TEU. Gearless. DD psd 6/20.
SINAR SUMBA + SINAR SABANG	23,500	both 2008	Guangzhou Wenchong (CHN)	German buyer	6.75 each	1740 TEU. Geared. DD psd 4+10/20.
GAS						
EPIC CATALINA	2,998	2007	Kanrei (JPN)	Indonesian buyer	8	3,444 cbm. Fully press'd. DD psd 4/20.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
Lepta Shipping	Kamsarmax	82,000 dwt + 2	Yangzijiang (CHN)	2022		Declared options.
Shanghai Baosteel	Supramax	59,000 dwt x 2	New Yangzi (CHN)	2022		
TANKERS						
Shanghai North Sea (Beihai Shipping)	Shuttle Tanker	155,000 dwt x 1+1	Dalian Shipbuilding (CHN)	2023		For CNOOC deployment.
Keo Young Shipping	Chemicals	1,800 dwt x 1+1	Samkang M&T (KRS)	2022		
CONTAINERS / RO-RO / REEFER / PCC						
Hapag-Lloyd	Containership	23,000 TEU x 6+6	DSME (KRS)	2023		LOI. High manganese LNG bunker tanks.
Kanway Line	Containership	1,900 TEU x 2+2	Huangpu Wenchong (CHN)	2022-2023		Bangkokmax
GAS						
Trafigura	LPG	40,000 cbm x 2	Hyundai Mipo (KRS)	2022	52.5	LPG dual fuel. 180m LOA.

Wisdom Marine	LPG	5,000 cbm x 1	Murakami Hide (JPN)	2022	18	
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Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
AFRAMAX						
BOSPORUS	1994 / Korea	96,755	14,142	Bangladesh	400	
CHEMICAL TANKERS						
NARLICA	1992 / Italy	5,430	2,240	India	670	incl large content of St-St in her tanks
LPG						
JISAN GAS	1992 / Japan	3,785	2,078	as-is Korea	270	
NAMHAE GAS	1991 / Japan	3,616	2,743	as-is Korea	275	
RO-RO						
ANGELIS	1978 / Japan	3,522	3,358	India		
PASSENGER						
ROPOLIS	1972 / Japan	3,472	8,000	as-is Hong Kong		

Recycling Prices (US\$/LWT)

	Pakistan	Bangladesh	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	385/405	380/400	380/390	210/220
Dry Cargo/Bulk/Tween/Gen Cargo	370/385	370/380	365/375	200/210

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year	10 Year
Tankers			
VLCC	85	63	43
SUEZMAX	56	43	29
AFRAMAX	45	32.5	20
MR	34	26	17
Bulkers			
CAPE SIZE	46.5^	26	17
KAMSARMAX / PANAMAX	25^	20k	12.5p
ULTRAMAX / SUPRAMAX	23.5u^	17.5u/15s	10.5s

Indices

	C.O.B Friday
BDI	1230
\$/Yen	104.15
VLCC	
AG/East	27
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.

IMO's Marine Environment Protection Committee ("MEPC") Holds 75th Meeting



The MEPC's 75th meeting took place virtually from 16 to 20 November 2020.

One of the key resolutions made by the MEPC was to approve draft amendments to MARPOL Annex I (i.e. the addition of a new regulation 43A) to introduce a prohibition on the use and carriage of heavy fuel oil (HFO) for use as fuel by ships in Arctic waters on and after 1 July 2024. The draft amendments will be circulated for consideration with a view to adoption at MEPC 76 (in 2021).

These draft amendments still include the exemptions which have been criticised by environmental groups such as the International Council on Clean Transportation. For example, certain countries bordering the Arctic will be able to waive the requirements up to 1 July 2029 for vessels sailing under their flag.

The MEPC also approved draft amendments to the International Convention on the Control of Harmful Anti-Fouling Systems on Ships Convention to include an outright prohibition of the use of anti-fouling systems containing cybutryne from 1 January 2023. Studies have shown that cybutryne could potentially cause adverse effects to non-target organisms. The approved draft amendments are expected to be adopted at the next MEPC meeting in 2021.

Perhaps most significant discussions had at the meeting were those relating to MARPOL Annex VI. The MEPC adopted, amongst other things, amendments in relation to fuel oil sampling and sulphur content definition. In order to comply with the MARPOL sulphur regulations, the amendments will require two new fuel oil samples to be taken - an "in-use sample", referring to the sample of fuel oil in use, and an "on board sample", referring to a sample of fuel oil intended to be used or carried for subsequent use. The amendments are expected to have an effective date of 1 April 2022.

Further draft amendments approved by the MEPC are designed to curb the carbon intensity from existing ships. There will be new technical requirements, based on a new Energy Efficiency Existing Ship Index ("EEXI") which indicates the energy efficiency of the vessel relative to a calculated baseline. On the operations side, applicable ships will have to determine their required annual operational carbon intensity indicator, against which their ships will be rated on a scale from A to E. The IMO expects ships

rated D for 3 consecutive years, or ships given an E rating to submit a corrective plan to evince how a rating of C or above can be achieved. These draft amendments will be put for adoption in the next MEPC meeting.

The full meeting summary of the MEPC's 75th session is available on the IMO website.

MOL Installs First Ever Microplastic Collection Device onboard Vessel



Microplastics, the residue of plastic in the ocean, is a global concern in the fight against environmental pollution. Measuring at five millimetres or less in size, it is the result of discarded plastic in the ocean that is broken down by ultraviolet rays and wave action. Scientific research has shown that this residue remains suspended in the water for an extended period of time.

In an industry-first, Japan's Mitsui OSK Lines (MOL) has installed a microplastic collection device on one of its ships. MOL, teamed up with Japanese ballast water treatment

system manufacturer, Miura and announced a demonstration test this week of their jointly developed device installed on a newbuilding wood chip carrier.

The device is activated during the operation of the ballast water treatment system typically during the cargo handling operations in a port. Using a filter with a backwashing function for the ballast water treatment, the device efficiently collects microplastics trapped in the filter before the treated water is discharged overboard.

MOL claims it is the world's first operator to install and demonstrate the microplastic collective device on a merchant vessel. The project team is continuing to improve the device and is examining ways to make it easier for crewmembers to use and increase microplastic collection capacity.

MOL's initiative on ocean plastic pollution started with participation in the Plastic Smart forum hosted by Japan's Ministry of the Environment, and since then it has been expanding activities including marine plastic pollution-related scientific research with the Japan Agency for Marine-Earth Science and Technology.

High Court Allows Parties to Observe Yacht Dispute Trial Remotely



A recent decision concerning a yacht dispute in the High Court has allowed for parties to attend the trial remotely. The judge in *Huber and another v X-Yachts (GB) Ltd and another* [2020] EWHC 3082 held that participants who were unable to travel to England due to COVID-19 could observe the whole trial via video link, subject to appropriate safeguards.

Although it was widely accepted by all parties that evidence could be given by video link from outside England and Wales, the issue arose as to whether those participating from abroad should be allowed to simply observe and watch the trial proceedings when not giving evidence.

Kerr J directed that the proceedings should be conducted wholly as video proceedings and broadcast under section 85A(1)(a) Courts Act 2003 (added by section 55 and schedule 25 Coronavirus Act 2020). The 2020 Act was enacted to keep the courts running by technological means considering the current widespread restrictions on travel during the COVID-19 pandemic, and the decision here clearly gives effect to those intentions.

However, in delivering his judgement Kerr J emphasised that the court should be cautious when exercising their discretion under section 85A(1)(a) and permitting remote attendance from abroad would not be granted in each and every case. Kerr J was willing to permit it in this case, subject to the following safeguards:

1. Specifically identifying by name or category those permitted to attend remotely inside and outside the jurisdiction.
2. Requiring details to be supplied of those attending remotely.
3. Requiring the parties' legal representatives to inform all attending remotely (within and outside jurisdiction), and anyone providing technical support, of the strict prohibition against any unauthorised dissemination of the hearing or making any audio or video recording.
4. Forbidding all people, within or outside the jurisdiction, from attending remotely unless they had provided the court with a signed undertaking confirming that they had read the order and understood that they were prohibited from broadcasting or disseminating the proceedings by electronic means or making any recording, and that non-compliance could constitute contempt of court.

The decision in this case reflects the pragmatic approach taken by the UK courts in light of the current worldwide pandemic.

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