

**CJC Exchange** is a weekly newsletter from **Campbell Johnston Clark**, incorporating with kind permission from **Gibson Shipbrokers** the most recent issue of the Gibson Sale & Purchase Market Report. A blend of market intelligence and relevant industry news, CJC Exchange is distributed free of charge to parties on the CJC mailing list who have given permissions to receive S&P updates from CJC. CJC Exchange is available to new subscribers [here](#).

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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 – Sellers Salivate

As the dry cargo freight market continues confound expectations it is evident that owners are becoming more and more reluctant to sell tonnage, even older vessels are being retained to enjoy present earnings. With the offering of strong period rates of 6/12 months, thus enabling owners to lock in lucrative returns this hesitancy is understandable. As with every rule there are exceptions, as in the case of the sale of the supramax "**NORD OLIVE**" (56,106 dwt/blt 2014 Oshima Zosen, Japan) which was purchased by Norden in December 2020 for region US\$14m and we are now reporting it sold at US\$22.5m showing a substantial gain over the period and reaffirming owner's commitment to asset play. Also, we are seeing the replacement scenario, as in the case of Safe Bulkers who has been acquiring tonnage and at the same time diverting themselves of their older tonnage. We understand they are close to committing their "**KOULITSA**" (76,858 dwt/blt 2003 Oshima Zosen, Japan) for excess US\$12m - it is interesting to note they sold their similar and aged "**MARIA**" back in May for around US\$12.3m, again showing how the market has moved.

### TANKERS – A Waiting Game

An uninspiring week with very little to report. No excitement to be had on earnings and owners are eagerly awaiting any announcements from OPEC or governments with sanction busting plans. The only blessing is the strong recycling market, which will hopefully remove some of the unwanted tonnage from the fleet.

There is an abundance of fifteen year plus panamax/LR1 tankers being marketed for sale and it is good to see that the "**MARILEE**" (74,898 dwt/blt 2006 Split) has been sold for US\$9m. IMS has picked up the MR2 "**LARA**" (50,564 dwt/blt 2007 SPP) for around US\$10.8m, which is in line with the market and

the slightly older and uncoiled **"JASMINE EXPRESS"** (46,999 dwt/blt 2004 Onomichi ) has gone for US\$7.6m with another year to run on surveys; the price is probably US\$2m clear of her recycling value.

## NEWBUILDING – Waiting in the Wings

Korean yards have hiked pricing again this week as they pass on rises from steel mills and also take a conservative view on managing costs with deliveries now past the two-year standard window, mostly into 2024. We are also beginning the traditional lull in activity as summer holidays begin around the world.

For tankers, there is still a real hurdle of current poor earnings to pass but most feel a tanker rally is coming for straightforward reasons. Tanker pricing is up from last year's low levels, but we do feel it is worth highlighting again that with deliveries for fresh orders now 2024 onwards, there is genuinely no threat to earnings for 2022/2023 from potential increasing newbuilding enquiry for whatever reason. Such a protected fleet supply situation does not happen very often! Furthermore, with genuine scrapping potential (vintage vessels in sanctioned trades etc) the fleet supply situation is well placed to galvanise any rising demand. Of course, newbuildings are not a "real time" investment, given the forward nature and, therefore, this expected confidence and stability in the tanker market fundamentals in the short term will put newbuildings on the investment menu for owners, we believe, especially since second-hand pricing is likely to rise for the same reasons and upward pricing pressure remains on shipbuilding costs.

On dry, newbuilding pricing is up significantly from lows last year (comparable to 2017). We believe owners continue to look for signs that the current dry market strength is here to stay for a while before moving for newbuildings. The dry orderbooks are very low and we expect further orders to come after the summer if the positive signals keep coming from the charter market.

## RECYCLING – Calm Before the Storm

A quiet week in the recycling markets as not many ships are available for negotiation. Local steel markets in the Sub-Continent are stable as demand for steel remains healthy.

With the monsoon season now in full swing, ship breaking activities have slowed down slightly and are likely to remain so until end of August. The lack of tonnage available for recycling has certainly helped in keeping prices high, although some private sales have been emerging as we see vessels arriving at their breaking destinations. With container and dry bulk charter hires still on the up and conversely for tanker rates we would expect the supply to be coming from tankers in the not too distant future.

## Gibson Sale & Purchase Market Report

### S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
<b>BULKERS</b>						
CAPE LEGACY	180,161	2011	Daehan (KRS)	Chinese buyer	33	SS psd 5/21. BWTS fiitted.
LOWLANDS TENACITY	179,929	2011	Hanjin HI, Philpns (PHI)	Undisclosed buyer	reg 29.5	SS psd 5/21. BWTS fiitted.
KING SAIL	177,643	2002	Mitsui (JPN)	Chinese buyer	12	SS due 3/22.
OCEAN CLARION	176,952	2009	Namura (JPN)	Seanergy Maritime	low 24	SS due 3/22.

CECILIA B	82,154	2012	Tsuneishi (JPN)	Undisclosed buyer	24	SS due 5/22. BWTS+Scrubber fitted.
ORIENT GENESIS	78,162	2014	Toyohashi (JPN)	Greek buyer	23	DD due 1/22. BWTS fitted.
CENTURION	76,838	2005	Oshima Zosen (JPN)	Undisclosed buyer	xs 12	SS psd 10/20. Dely 2/22.
AQUAMAN	75,244	2001	Samho (KRS)	Chinese buyer	xs 11	SS psd 7/20. BWTS fitted.
AMBER CHAMPION	63,800	2013	Chengxi (CHN)	Greek buyer	20.5	BWTS fitted. Tier II.
AMAMI K	58,613	2012	Kawasaki (JPN)	Greek buyer	19.6	SS due 2/22. BWTS fitted.
BULK TITAN	58,090	2009	Tsuneishi Cebu (PHI)	Greek buyer	16.3	
NORD OLIVE	56,108	2014	Oshima Zosen (JPN)	Turkish buyer	22.5	
POLA ILARIA	37,695	2010	Tianjin Xingang (CHN)	Briese Schifffahrt	12.75	SS psd 10/20.
INTERLINK VERITY	37,163	2012	Huatai Heavy (CHN)	Undisclosed buyer	xs 14	SS due 6/22. Tier II.
INTERLINK ACUITY	37,152	2011	Huatai Heavy (CHN)	Undisclosed buyer	13	SS due 10/21. Tier II. Ice 1C.
MALEN	34,627	2011	Shanhaiguan (CHN)	Costamare	13	SS psd 6/21. BWTS fitted.
KONSTANTINOS M	32,178	2012	Jiangmen Nanyang (CHN)	Greek buyer	11.8	SS due 7/22.
CS CAROLINE	30,420	2010	Tsuji HI (CHN)	Lebanese buyer	11.25	SS psd 1/20.
SIERRA	23,800	2010	Zhejiang Xingtian (CHN)	Greek buyer	6	SS psd 12/20. BWTS fitted.

#### TANKERS

MARILLEE	74,898	2006	Split (CRT)	Undisclosed buyer	9	SS due 9/21. Ice 1A. Deck heaters
LARA	50,564	2007	SPP Sacheon (KRS)	IMS	10.8	Deepwell. SS due 6/22. Already renamed.
JASMINE EXPRESS	46,999	2004	Onomichi (JPN)	Undisclosed buyer	7.6	SS due 5/22. Uncoiled.
KOHZAN MARU III	45,286	2000	Shin Kurushima (JPN)	Undisclosed buyer	6.75	Zinc coated. IMO III. 20 tanks.
RAKIS	6,269	2010	Ningbo Dongfang (CHN)	Undisclosed buyer	high 3	Zinc coated. IMO II. SS psd 3/20.

#### GENERAL CARGO / MULTI PURPOSE

CHIPOL RUIAN	22,258	1998	3 Maj, Brod (CRT)	Undisclosed buyer	4.8	Tween. 1096 TEU.
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#### CONTAINERS / RO-RO / REEFER / PCC

ALABAMA	50,158	2010	Jiangsu Newyangzi (CHN)	MSC	35	4250 TEU.
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#### NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
<b>TANKERS</b>						
Euronav	VLCC	300,000 dwt x 1	Hyundai Samho (KRS)	2023	93.3*	*Declared option.
Petrobras	FPSO	150,000 dwt x 1	DSME (KRS)	2025		
<b>CONTAINERS/RO-RO/REEFER/PCC</b>						
Evergreen Marine	Containership	24,000 TEU x 2	Hudong Zhonghua (CHN)	2024	167	Tier III. Scrubber fitted.
Hapag-Lloyd	Containership	23,500 TEU x 6	DSME (KRS)	2024		LNG duel fuel.

Eastern Pacific Shipping	PCC	7,000 CEU x 4+2	Jinling (CHN)	2024	est 87	LNG dual fuel.
Briese Schiffahrt	Containership	1,800 TEU x 4	Huanghai Shipbuilding (CHN)	2023		
SITC	Containership	1,023 TEU +2	Dae Sun (KRS)	2023	19.2*	*Declared options.
<b>GAS</b>						
United LNG Transportation (c/o PetroChina-CSET)	LNG	174,000 cbm x 3	Hudong Zhonghua (CHN)	2024-2025	xs 200	LNG dual fuel. Against TC to CNOOC.
Capital Gas	LNG	174,000 cbm x 2	Hyundai HI (KRS)	2023	193.5	

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

	Newbuild	5 Year Old	10 Year Old	Indices	
					C.O.B Friday
<b>Tankers</b>					
VLCC	98	71	48	<b>BDI</b>	3255
SUEZMAX	65	48	33		
AFRAMAX	53	41	26.5	<b>\$/Yen</b>	110.70
MR	37	27.5	19		
<b>Bulkers</b>					
CAPE SIZE	58.5^	37.5	31.5	<b>VLCC</b>	
KAMSARMAX / PANAMAX	33^	29k	21k / 19p	AG/East	32.5
ULTRAMAX / SUPRAMAX	31^	25u	18.5	TD3 (WS)	
HANDYSIZE	26.5^	21	14.5		

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

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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.

## Construction Orders for Containerships on the Rise



Construction orders for new containerships are continuing at a record pace in 2021 with carriers rushing to expand and modernise their fleets to meet projected long-term demand growth. Seaspan, the world's largest containership lessor, announced that it was adding two containerships to its already large order book of 37 containerships due for delivery by 2024.

The vessels are due for delivery during the fourth quarter of 2022 and will enter long-term charters with a global liner company. The unnamed customer also

has a purchase option for the vessels.

Seaspan is a leading independent owner and operator of containerships, with the majority of its ships operating under long-term, fixed-rate time charters to the world's largest container shipping lines. Customers include Maersk, MSC, COSCO, CMA CGM, and Hapag-Lloyd, with only Evergreen and HMM among the major operators not chartering vessels from Seaspan. The company's current fleet includes 129 vessels with a total capacity of over one million TEU.

With the new orders, Seaspan has a total of 39 containerships with a combined capacity of approximately 600,000 TEU being built. In 2021, the company also acquired four secondhand boxships. Among the orders Seaspan has disclosed are two 24,000 TEU ultra-large containerships, as well as six 15,000 TEU and five 12,000 TEU vessels, all to be deployed by MSC. The orders also include 10 dual-fuel LNG vessels for Zim and eight boxships to be operated by the ONE alliance.

BIMCO reported that surging profits and high demand were driving the staggering pace of orders. In April and May alone, 55 vessels were ordered with a total capacity of over 344,000 TEU. This comes on top of the record-high 97 ships ordered in March. In the first five months of 2021, construction orders totaled 229 vessels with a capacity of over two million TEU bring the total orderbook to 4.35 million TEU. The orderbook for new containerships has doubled in size since the fall of 2020.

IHS Markit detailed in a recent report that the orders in 2021 had reached the highest level in the past six years. Orders are well on their way to surpassing the 2.6 million TEU that they reported were orders in 2015. According to IHS Markit, the 2021 orders represent more than a fifth of the number of vessels currently in service. They estimated that the market could reach a total capacity of 24 million TEU over the next two to three years.

Vessel demolitions are also expected to have only a small impact on capacity in the near term. BIMCO expects demolitions to drop to their lowest levels since 2007. So far in 2021, only 10 boxships were retired with a total capacity of just over 8,000 TEU.

## Singapore Set to Increase Port Dues from 2022



The Maritime and Port Authority of Singapore has announced that it will be implementing a two-phase increase in port dues, starting in 2022. Port dues were last revised in 2014 and the current system determines the amount due by taking into consideration the size of the vessel, the length of stay and the purpose of the call.

Phase-1 will take effect from 1st January 2022 and will see an increase in port dues by approximately six percent for vessels calling at Singapore to embark or disembark passengers, or to load and unload cargo with stays of between two to four days. There will be no increase in port dues for those vessels staying in port for a day or less, to encourage quicker turnaround times. Phase-2 of the increase in port dues will take effect from 1st January 2023 and will affect those vessels staying in port for less than one day.

The proposed increase in dues is said to be needed to fund and maintain the vessel-traffic management system, as well as anchorages, fairways, and navigation aids. The Port of Singapore handles over 37.2 million TEUs of containers and 626.2 million tons of cargo annually, making it one of the busiest in the world.

## IMO Marine Environment Protection Committee 76th Session

The IMO's Marine Environment Protection Committee (MEPC) held its 76<sup>th</sup> Session from 10 to 17 June 2021. The meeting was held remotely and a number of important topics were considered and amendments adopted.

At the meeting, the MEPC, as most industry stakeholders had anticipated, adopted the amendments to the International Convention for the Prevention of Pollution from Ships (MARPOL) Annex VI which would require vessels to reduce greenhouse gas (GHG) emissions. The amendments are considered to be an important stepping stone for future GHG reduction and bring about technical and operational approaches that aim to improve the efficiency of ships. The amendments will require all vessels to calculate an Energy Efficiency Existing Ship Index or EEXI which will establish their annual operational carbon intensity indicator or CII and CII rating. The EEXI is required to be calculated for vessels 400 gt and above and the CII and CII rating will apply to vessels of 5,000 gt and above. The CII rating will be given to vessels on a scale of A – E (A being the best rating). The IMO are encouraging Administrations and port authorities to incentivise vessels rated as A or B. These amendments are expected to enter into force on 1 November 2022 with requirements for EEXI and CII certification to enter into effect from 1 January 2023. The effectiveness of this regime will be reviewed by the IMO by 1 January 2026 at the latest. The IMO will, if necessary, develop and adopt further amendments thereon. On a similar note, the IMO adopted amendments to the 2018 Guidelines on the method of calculation of the attained energy efficiency design index or EEDI which apply to new ships.

Further to the above, the MEPC adopted amendments to MARPOL Annex I which will introduce a prohibition on the use and carriage for use as fuel of HFO by vessels in Arctic waters on and after 1 July 2024. As reported by the IMO, the prohibition encompasses the use and carriage for use as fuel of oils possessing a density at 15 degrees Celsius higher than 900kg/m<sup>3</sup> or a kinematic viscosity at 50 degrees Celsius higher than 180mm<sup>2</sup>/s. Some vessels such as those operating in search and rescue operations will be exempted from this. A party state to MARPOL with a coastline bordering Arctic waters may temporarily exempt the requirements for vessels flying their flags when such vessels are in waters

which are subject to that party state's jurisdiction. However, as reported, this will only apply up till 1 July 2029.

The MEPC also adopted, amongst other things, amendments to draft amendments to MARPOL Annexes I and IV with regards to the exemption of Unmanned Non-self-propelled Barges from survey and certification requirements and amendments to the IMO Convention for the Control of Harmful Anti-fouling Systems on Ships to include controls on the biocide cybutryne. The full meeting summary of the MEPC's 76<sup>th</sup> session can be read at the IMO's website [here](#).

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