

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



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DRY CARGO – Olympic Records

In the spirit of the Tokyo Olympics buyers are continuing to try to break previous sales records, for instance the sale of kamsarmax bulker "**AM EXPRESS**" (82,245 dwt/blt 2010 Tsuneishi, Japan) at region US\$21.5m to Greek buyers seems incredibly firm considering the vessel has no BWTS and will be delivered with an outstanding recommendation. Their smaller cousins panamax bulkers continue to push the limits with sale of the "**MG SAKURA**" (75,397 dwt/blt 2006 Universal, Japan) at US\$18m basis delivery with SS/DD just passed and BWTS fitted, which is a massive jump from the sale of the same aged Japanese built vessel the "**NEW EMPEROR**" (76,585 dwt/blt 2006 Imabari), which was sold in May for US\$ 11.8 m, albeit basis SS/DD and BWTS due.

The same can be said of ultramax bulkers with prices continuing to push the boundaries and Norden has achieved an excellent price for their "**NORD HUDSON**" (61,616 dwt/blt 2014 NACKS, China) at US\$24.3m. It was only back in May 2021 that the sale at US\$21.2m failed to materialise and these previous buyers will be kicking themselves for not securing what now looks to be a very attractive level. Similarly the "**NEW ASPIRATION**" (61,488 dwt/blt 2011 Iwagi, Japan) has been sold at US\$21.5m, which shows a marked increase against the sale of the year newer "**WHITE HAWK**" (61,360 dwt/blt 2012 Oshima Zosen, Japan) in June at US\$21m.

TANKERS – No Podium Finishes

No podium finishes for any of the tanker owners at the moment and over the next week or so there will be some crying into balance sheets with the listed companies announcing their second quarter results, or lack of them. The good recycling numbers are tempting owners with older vessels, but then practicalities with Covid-19 are still hindering the removal of this vintage fleet.

NYK continues with selling off some of its VLCCs and the **"TSURUGA"** (309,960 dwt/blt 2009 Imabari) has gone to Greek buyers at US\$38m. On one hand, the pricing is loosely in line with the sale of their two-year older **"TAKAHASHI"** (314,020 dwt/blt 2007 Nacks) that went for US\$34.45m a few weeks back, but it is a far cry away from the sale of the **"ATHENIAN VICTORY"** (317,441 dwt/blt 2009 Hyundai Ulsan), which sold for US\$42.5m in June. We are also picking up that the **"STARLIGHT VENTURE"** (318,825 dwt/blt 2004 Hyundai Ulsan) has gone, but as yet without pricing or a named buyer.

RECYCLING – Record Breakers

It's been a thunderous week in the recycling markets as prices move up aggressively to boldly surpass the \$600/LT mark.

With good stability in the local steel markets in Alang, sentiments among end-breakers is seeming very upbeat and breakers anticipate huge demand for steel post-monsoon and hence are rushing to acquire ships for end August-September delivery. The sentiment is broadly similar in Pakistan, although local markets have not been quite as supportive for the breakers, evident with just a handful of ship's being beached in Gadani in recent weeks.

Conversely, Bangladesh continues to remain in lock-down until 5 August, which could still be extended as the cases continue to rise. However, yards with no active Covid-19 cases have been given permission to continue recycling and beaching operations are also being granted as per normal. Nonetheless, for the time-being the flow of ships for Bangladesh has reduced as crew need to quarantine for 14 days post-beaching adding a cost to sellers, which resultantly has helped bolster India's increased tally of ships being worked this week.

Despite the strong levels offered by cash buyers, lack of tonnage continues to remain the main factor driving prices up. With the \$600/LT hurdle cleared, could the Olympic marathon take us to the \$700s for the first time for a decade?

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
DYNA CAMELIA	91,569	2007	Imabari (JPN)	Chinese buyer	17.5	SS due 3/22.
AM EXPRESS	82,245	2010	Tsuneishi (JPN)	Greeks	reg 21.5	SS psd 12/19.
LEMESSOS QUEEN	76,565	2008	Imabari (JPN)	Undisclosed buyer	reg 19	BWTS fitted.
MG SAKURA	75,397	2006	Universal Maizuru (JPN)	Undisclosed buyer	18	SS psd 7/21. BWTS fitted.
KOMI	63,628	2015	COSCO Zhoushan (CHN)	Undisclosed buyer	xs 25	SS psd 2/20. Inc TC to 11/21.
OCEAN PHOENIX TREE	62,623	2017	Oshima Zosen (JPN)	Undisclosed buyer	29.5	SS due 9/22. Dely 1/22 incl t/c
NORD HUDSON	61,617	2014	NACKS (CHN)	UK buyer	24.3	BWTS fitted.
NEW ASPIRATION	61,448	2011	Iwagi (JPN)	Greek buyer	21.5	SS due 10/21. BWTS fitted.
GENCO PROVENCE	55,317	2004	NACKS (CHN)	Chinese buyer	13.2	BWTS fitted. DD due 10/22.



HELENA	50,204	2002	Mitsui (JPN)	Chinese buyer	high 9	SS due 7/22. Dely 12/21.
TS JASMINE	38,500	2018	Shanhaiguan (CHN)	Chinese buyer	reg 20	DD psd 2/21.
ULTRA CALBUCO	37,981	2017	I-S Shipyard + Shimanami (JPN)	Chellaram Shipping	23.5	SS due 2/22. BWTS fitted. Dely 12/21.
NORDIC INCHEON	35,817	2018	Samjin (CHN)	Undisclosed buyer	20.5	DD psd 12/20.
GEKI STAR	28,352	2008	Shimanami (JPN)	Middle Eastern buyer / Turkish buyer	10.5	BWTS on board, uninstalled. Dely 4q21.

TANKERS

TSURUGA	309,960	2009	Imabari Saijo (JPN)	Greek buyer	high 38	DD due 10/22.
NEW PROSPERITY	281,050	1999	I H I (JPN)	Undisclosed buyer	25	SS due 8/22.
SCF CAUCASUS	159,200	2002	Hyundai Ulsan (KRS)	Far Eastern buyer	16.4	SS due 3/22. BWTS fitted.
GOVERNOR FARKHUTDINOV	108,078	2004	Split (CRT)	Undisclosed buyer	14	Shuttle. Coated. Dirty trading. DD due 9/22.
SUPER LOTUS	70,426	2004	Universal Maizuru (JPN)	Far Eastern buyer	7.8	SS psd 3/20. No cargo heating.
FS SINCERITY	48,023	2009	Iwagi (JPN)	Undisclosed buyer	13.85	Pump-room. Clean trading. SS due 4/22.
GRAND ACE 2	45,990	2006	STX Jinhae (KRS)	Greek buyer	9	Deepwell. SS psd 3/21. BWTS fitted.
NIPAYIA	19,997	2009	Sekwang (KRS)	Greek buyer	15.75	Marine. DD due 12/21.
PRIME SOUTH	12,886	2009	STX Busan (KRS)	Taiwanese buyer	4.3 (A)	Auction sale. Epoxy.

GENERAL CARGO / MULTI PURPOSE

CSC RUI HAI + CSC XIN HAI	12,497	both 2012	Yichang (CHN)	Starocean Marine	6.3 each	Geared. SS due 2/22.
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CONTAINERS / RO-RO / REEFER / PCC

MAINE TRADER	67,680	2004	Hanjin Hi (KRS)	Undisclosed buyer	54	4992 TEU. Gearless. Dely 1/22.
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NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
Shandong Shipping	Kamsarmax	85,000 dwt x 2	Dalian (CHN)	2023	30.5	Wide beam. Phase 2 EEDI.
Safe Bulkera	Kamsarmax	82,000 dwt x 3	Undisclosed (JPN)	2023-2024		
Wisdom Marine	Handysize	40,000 dwt x 2	Imabari (JPN)	2023	29	
Wisdom Marine	Handysize	40,000 dwt x 2	Namura (JPN)	2023	29	
TANKERS						
Bihar International	LR2	110,000 dwt +2	New Times (CHN)	2022		*Declared options. Placed earlier in 2021.
Capital Maritime & Trading	MR	50,000 dwt +2	Hyundai Vinashin (VIET)	2022-2023	37.7*	*Declared options. LNG

CONTAINERS / RO-RO / REEFER / PCC					
China Merchants Financial Leasing (for MSC)	Containership	16,000 TEU x 2	GSI (CHN)	2023-2024	ready. AMP ready.
Minsheng Financial Leasing (for MSC)	Containership	16,000 TEU x 2	Dalian (CHN)	2023-2024	Scrubber fitted. LNG ready. Against TC to MSC.
OM Maritime	Containership	7,100 TEU x 4	Penglai Zhongbai Jinglu (CHN)		Scrubber fitted. LNG ready. Against TC to MSC.
Navios Maritime Partners	Containership	5,300 TEU x 4+2	Zhoushan Changhong Int'l (CHN)	2023-2024	61.6
Briese Schifffahrt	Containership	1,800 TEU +2	Huanghai Shipbuilding (CHN)	2023	Declared options. Gearless.

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	595/610	585/595	580/590	290/300
Dry Cargo/Bulk/Tween/Gen Cargo	585/595	575/585	570/580	280/290

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old
Tankers			
VLCC	101	71	48
SUEZMAX	70	49	33
AFRAMAX	58	41	26.5
MR	38	28	19
Bulkers			
CAPE SIZE	59^	37.5	31
KAMSARMAX / PANAMAX	34.5^	31k	22.5k/20.5p
ULTRAMAX / SUPRAMAX	33^	27u	19.5s
HANDYSIZE	27.5^	22.5	15.25

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

Indices

	C.O.B Friday
BDI	3292
\$/Yen	109.65
VLCC	
AG/East	31
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.

Lomar's Latest Investment Checks the Right Boxes



Lomar Shipping is set to see profits of around \$40million from its latest containership sale.

The UK-based shipowner has secured a deal to sell the 2004 built, 4,992 teu, Maine Trader for around \$54million. This is considerably more than the \$14million they paid for the vessel back in 2014, when they purchased it as one in a series of distressed sales from the German market.

The vessel was last fixed to Orient Overseas Container Line, for 12 months, at around \$21,000 per day. This is only slightly over half of what the vessel could be expected to bring in if fixed today for a 5-year period. For example, it has been reported that the 2009 built, 4,275 teu ASL Flora has been fixed at \$39,000 per day for 5 years.

Lomar are taking full advantage of the recent soar in container rates, which currently stand almost x4 higher than 2014, when they originally purchased the vessel.

ITF Calls for Immediate Release of Wakashio Crew Held for a Year Without Charge



The International Transport Workers' Federation (ITF) is calling for the immediate release and repatriation of the crew who were on board the Japanese bulker Wakashio when it ran aground in a coral reef off Mauritius a year ago. The crew have been held by Mauritian authorities since the incident.

The MV Wakashio oil spill occurred offshore of Pointe d'Esny, south of Mauritius. After the vessel ran aground on a coral reef on 25 July 2020 the ship began to leak fuel oil in the following weeks and broke apart in mid-August.

Although much of the oil on board Wakashio was pumped out before she broke in half, an estimated 1,000 tonnes of oil spilled into the ocean in what was called by some scientists the worst environmental disaster to ever occur in Mauritius. Two weeks after the incident, the Mauritian government declared the incident a national emergency.

The ITF is concerned about the lack of appropriate legal proceedings taking place regarding the Wakashio crew and has written to the president of the Republic of Mauritius, Prithvirajsing Roopun, to bring legal proceedings to an "expeditious conclusion". In the letter, ITF general secretary Steve Cotton said that some of the crew have now been away from home for more than two years.

ITF seafarers' section chair David Heindel said he is concerned about recent examples of crew criminalisation, which included the detention of the 20,388-teu containership Ever Given and its crew during negotiations over compensation for the vessel's grounding.

"Criminalisation of seafarers is on the rise. Whether it is felt by the crew of the Wakashio who were effectively detained without charge, or the drawn-out threat of criminal charges against the Ever Given crew to bolster the Suez Canal Authority's negotiating position over damages: seafarers are being cynically targeted all over the world by officials just for doing our jobs," Heindel said.

In another example, Heindel cited the recent arrest of the master and three deck officers on the 3,430-teu MSC Capucine R by Turkish law enforcement officers on 16 July. The vessel was held after the discovery of 176 kg of cocaine in a container. Heindel said there is not a "shred of evidence" to justify the crew's continued detention.

Low Carbon Shipping Projects to Benefit from EU Funding



Several low or zero carbon shipping projects are among the 47 small initiatives to benefit from the €122m made available by the European Union Innovation Fund in its first wave of funding announced this week. The fund focuses on highly innovative flagship projects that have the potential to provide viable technology which significantly reduces carbon emissions. It is one of the world's largest such programmes and aims to provide around €20bn of funding between 2020 and 2030.

One such project is the development of viable electric propulsion for TS Laevad's car and passenger ferry, Piret, operating on routes between Estonia's mainland and islands. The project is hoped to allow the vessel to run entirely in electric mode, needing its auxiliary diesel engines only when adverse conditions require the extra power. Another is a cruise ship built by Chantiers de l'Atlantique, whose conventional propulsion is supplemented with wind assistance. Though sail power for commercial vessels has been the subject of a great amount of experimentation, the rigid sails in this project are relatively unique and expected to be far more efficient and suffer from fewer limitations than traditional cloth sails.

A project to build hydrogen fuel cell propulsion, which emits only water, is also to benefit from the funding. DFDS, in partnership with a group of companies including Ballard Power Systems, Knud E Hansen and Orsted, hope to have in service on its Oslo – Frederikshavn – Copenhagen route a ferry powered entirely by the so-called Green Hydrogen. The system will be capable of producing up to 23MW of power – far more than the 5MW which contemporary fuel cell systems are capable of.

Though zero carbon technologies such as these are for the most part not yet commercially viable, a few recent examples exist of those that have made the breakthrough. In April this year for example, Compagnie Fluvial de Transport announced plans for the world's first hydrogen-powered commercial vessel to trade on the Seine later this year. The project received \$5.9 of funding from the EU's Research and Innovation program 'Horizon 2020' in 2018.

Though projects such as these are still in their infancy, the number being developed around the world illustrate the commitment of the industry's drive towards transitioning to low and zero carbon, and shipping companies are embracing the presently expensive and untested technology. Torben Carlsen, CEO of DFDS says that "together, we expect to learn how to make these fuel types and technologies commercially viable, which is key to a transition of the industry to climate neutrality, which is also the ultimate goal of DFDS' climate plan."

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