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Gibson Sale & Purchase Market Report



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DRY CARGO – Outstanding Offers
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CJC Market News



Campbell Johnston Clark

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.

Delays Expected During Panama Canal Maintenance



The Panama Canal is due to undergo two weeks of scheduled maintenance from 29th August to 10th September. This is likely to reduce the Canal capacity and may cause delays in the region. Ships planning to pass through the Canal have therefore been advised by the port authority to book their transit through the waterway at least 25-30 days in advance.

Maintenance will be carried out at the Canal's Miraflores Locks – one of the three locks that form part of the Canal and where vessels are lifted or lowered 54 ft in two stages, allowing them to transit to or from the Pacific Ocean port of Balboa in Panama City.

The scheduled maintenance period will change the Canal condition, from condition 1 to 1.a. This decreases the estimated daily transit capacity from 15 transits/day to 13 transits/day for super-class tankers with beam lengths of 91-107 ft.

Previous maintenance at the Gatun Locks at the beginning of July saw delays of up to two weeks for ships without prior booking of their transit. The previous maintenance period was also extended by an additional seven days which meant the Canal transitioned to condition 2, with the number of transits for super-class ships decreasing from 13 slots daily to 10.

Transit delays at the Panama Canal have previously affected clean tanker freight levels for routes loading on the US Gulf Coast to West Coast South American discharge regions. As bunker prices increase globally, there may also be more resistance to transiting the Canal during times of delay, with shipowners opting for alternative routes with higher daily earnings.

Information Fusion Centre mid-year report



The Information Fusion Centre (IFC), a regional Maritime Security centre covering most of the Indo-Pacific region, has reported, in its 2021 mid-year report, that 458 maritime security incidents occurred in the period January to June 2021. This is a 13% increase from the same period in 2020.

With regards to theft, robbery, and piracy at sea, the IFC stated that there were 42 incidents reported during the 6-month period. This is a 35% decrease when compared to the first half of 2020. Bulk carriers accounted for 25% of the attacks, with container ships accounting for 21%, tankers 16% and tugs and barges 8%. The IFC observed that, in the Singapore Strait, slow moving vessels with low freeboard were targeted the most. In Manila and Jakarta Anchorages, anchored container ships, tankers and bulk carriers were the most targeted. Of the incidents, 13 of them involved perpetrators armed with knives and/or metal objects. 2 of the 13 instances resulted in minor injuries. The IFC has stated that the incidents were consistent with the known modus operandi of petty crime with little to no confrontation.

The IFC also reported that the major types of maritime incidents recorded involved vessels sinking/capsizing (27.5%), vessels detained (11.1%) and fire-explosion related incidents (9.4%). The top three areas of incidents were in Malaysia, followed by Indonesia, and then the Philippines. Of the 600 vessels involved in these incidents, 40.5% of them were fishing vessels. There was also a spike of incidents reported in March/April, which the IFC attributes to bad weather in the Indonesian, Indian, and Philippines regions. The IFC predicts that incident levels will increase in the second half of the year due to the monsoon season and continued active enforcement efforts by regional local authorities.

In other areas, maritime terrorism incidents and illegal, unregulated, unreported fishing incidents were down 50% and 24.7% respectively when compared to the same period in 2020. During this period, contraband smuggling and irregular human migration were however up 36% and 12% respectively.

The IFC has also added a new area of interest, environmental security. In the first half of 2020, there were 19 such incidents with liquid pollution accounting for 73.7% of them.

Core-Power radiating plans to increase containership speed, using nuclear reactors



The UK nuclear power Company Core-Power believes that the secret to increasing containership speeds lies with molten salt reactors (MSRs). These are small nuclear reactors powered by fuel salt, that are chemically very stable. This makes them ideal to be used to provide power to the maritime industry. Core-Power believes the reactors could be installed as part of the vessel's construction and would remain onboard and active until the vessel is decommissioned.

Such reactors are ideally suited to generate the high-power requirements of containerships, where conventional diesel engines consume more than 200 tonnes of fuel per day. Additionally, as container ships carry the majority of their cargo above the waterline, they can be designed with more streamlined hulls and a resulting ability to travel at higher speeds (when compared to tankers or bulkers). While current designs are capable of sailing at around 25 knots, tight markets, and the need to save fuel, has seen these vessel travel at speeds closer to 15 knots.

Core-Power believes that the introduction of MSRs aboard container ships could reduce a standard Trans-Pacific voyage from 12 days to around 7 days, and the Korea-Rotterdam round-trip voyage from 80/85 days to around 45 days. These speeds would also allow vessels to avoid the Suez Canal, saving around USD1.5m in tolls and possible delays (as recently seen). They believe these savings would far outweigh the initial costs required to install the reactors.

Singapore's X-Press Feeders also believes this to be the case and has recently been revealed as one of the main investors in Core-Power. Separately, Samsung Heavy Industries believes that MSRs will play a key role in maritime propulsion going forwards and has recently partnered with Korea Atomic Energy Research Institute to develop a nuclear-powered vessels of their own.

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