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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 – Back on Track

With the dry cargo freight market back on an upward trajectory it's no surprise that we're seeing prices moving in a similar vein. The Japanese controlled kamsarmax **VIJAYNAGAR** (82,167 dwt/built 2010 Tsuneishi, Japan) is reported to be working in the US\$ high 23s mill range; a not too dissimilar level achieved by last week's sale of the **RANGER**, which is two years newer albeit being built in Tsuneishi Zhoushan, China. Correspondingly, the JP Morgan controlled kamsarmaxes **PEAK PEGASUS** + **PEAK LIBERTY** (82,000 dwt/built 2013+15 Tsuneishi, Japan) that were reported sold at region US\$ 23 and 25 mill respectively in June, it now appears the sale failed to materialise and we understand they have now seen offers around US\$ 25 and 28 mill each. Supramax bulkers continue to draw buyers' attention and the recently reported sale of the **BELCARGO** (58,720 dwt/built 2008) at US\$ 17 mill was no anomaly, as this price has now been endorsed by negotiations surrounding the **NEW PRIDE** (58,761 dwt/built 2009 Tsuneishi Cebu, Philippines), which has reportedly received 12 offers and is in negotiations at excess US\$ 18 mill.

### RECYCLING – Rebar Rebound

Despite some negative elements that have been creeping into the market of late, the recycling markets remain buoyant and demand is still clearly there as the supply of tonnage continues to be restricted. However, there are reports of an increasing number of tankers being discussed/sold; many on a P&C basis and occasionally there are some sales that get reported that turns things on its head. This week the Aframax **SHAFIRA 4** obtained a very firm price of US\$ 616 per LWT, which on paper is clearly an above market level, but when you factor in her specifications including having a bronze propeller and the fact she has a quantity of 18 tons of stainless steel in her tanks, and is a prompt delivery for Pakistan, it becomes clearer why she obtained a premium. For good quality Tankers the average rates today are probably around the US\$ 600 per LWT (+/-) level for both Pakistan and Bangladesh depending on age, size and specs. For dry tonnage it's in the mid/high 500s throughout

the Sub-Cont. If an increasing number of units start hitting the market, it could put pressure on prices, but for now prices are still historically firm and very attractive.

## TANKERS – Balancing Act

Another week goes by with no boons thrown to the tanker market, left only to look jealously upon the container and bulker markets enjoying stronger fundamentals. Nonetheless, asset values seem broadly insulated by newbuilding price hikes and robust recycling rates still holding up the middle.

Aframax sales have been conspicuously scarce in recent weeks, but the **SUNNY ATLANTICA** (114,895 dwt/blt 2006 Samsung) sets a useful yard stick for fifteen year old values at US\$ 15.5 mill, sold to Chinese interests, basis Special Survey and BWTS due in November equating and conforming to general price expectations. However, there is some market chatter suggesting that a 2007 Korean built VLCC is working at notably sub-market pricing, which if confirmed could upset the apple cart.

MR tankers proliferate the products side of the sale sheet this week, with the fate of the arrested and laid-up **MARVIN INDEPENDENCE** (49,988 dwt/blt 2018 Hyundai Mipo) sealed at auction to Greeks for a reported low price of US\$ 17.1 mill. However, more market orientated sales are represented with robust levels paid for **STENA IMAGE + STENA IMPORTANT** (49,700 dtw/blt 2015 GSI + CSSC Offshore Marine) at US\$ 29 mill each, bolstered by Special Surveys passed in 2h 2020 with BWTS fitted. As for older tonnage **HELLAS EXPLORER** (51,309 dwt/blt 2008 STX Jinhae) has reportedly sold in line with its price expectations of around US\$ 12.8 mill.

## Gibson Sale & Purchase Market Report

### S&P SALES

| Vessel Name                                  | DWT     | Built     | Yard                       | Buyers                            | Price (\$/m) | Notes                                                   |
|----------------------------------------------|---------|-----------|----------------------------|-----------------------------------|--------------|---------------------------------------------------------|
| <b>BULKERS</b>                               |         |           |                            |                                   |              |                                                         |
| STELLA NAOMI                                 | 180,000 | 2016      | SWS (CHN)                  | Ciner Shipping Industry & Trading | 44 each      | Inc. 120% BCI TC to end 21/early 22, option 2 yrs.      |
| STELLA NORA                                  | 180,000 | 2016      | SWS (CHN)                  |                                   |              | Inc. 120% BCI TC to end 21/early 22, option 2 yrs.      |
| DS CHARME                                    | 176,000 | 2011      | Rongsheng HI (CHN)         | Greek buyer                       | 28           | SS psd 6/21. Inc/ 89% BCI to 7/22.                      |
| OCEAN DIAMOND + OCEAN EMERALD                | 95,000  | both 2012 | COSCO Dalian (CHN)         | Chinese buyer                     | 37 en bloc   | Inc. TC @ \$10k pd to 12/21-1/22.                       |
| SEACON SHANGHAI                              | 80,811  | 2019      | Guangzhou Huangpu (CHN)    | Undisclosed                       | xs 35        | DD due 6/22.                                            |
| SHAO SHAN 5                                  | 76,500  | 2012      | Guangzhou Huangpu (CHN)    | Undisclosed                       | 20.9 (A)     | Auction sale. SS due 6/22. BWTS fitted.                 |
| NAVIOS ALTAIR 1                              | 74,475  | 2006      | Hudong Zhonghua (CHN)      | Undisclosed                       | 13.9         |                                                         |
| SEA ARIRANG                                  | 71,535  | 1994      | Hitachi (JPN)              | Chinese buyer                     | high 6       | SS due 12/21. Dely 11/21.                               |
| NORD SUMMIT                                  | 61,649  | 2012      | Oshima Zosen (JPN)         | Undisclosed                       | 25.5         | BWTS+Scrubber fitted. SS due 8/22.                      |
| ALAM MADU + ADAM MOLEK                       | 58,000  | both 2014 | Toyoashi (JPN)             | Meghna Marine                     | 26 each      | DD due 9+10/22.                                         |
| HUA RONG 1                                   | 57,000  | 2012      | Zhejiang Zhenghe (CHN)     | Chinese buyer                     | 19.2 (A)     | Auction sale. DD psd 8/21.                              |
| SKYLIGHT                                     | 56,847  | 2009      | Taizhou Sanfu (CHN)        | Undisclosed                       | 16.35        | BWTS fitted. DD due 7/22.                               |
| CENTENARIO FORZA                             | 56,129  | 2012      | Mitsui (JPN)               | Meghna Marine                     | 21           | SS due 4/22.                                            |
| IVY DELTA                                    | 55,869  | 2011      | I H I (JPN)                | Platou Finance / Oscar Wehr       | xs 20        | SS psd 6/21. BWTS fitted.                               |
| NORD TRUST                                   | 55,693  | 2009      | Mitsui (JPN)               | Undisclosed                       | low 18       | DD due 10/22.                                           |
| JOSCO SUZHOU                                 | 49,416  | 2004      | NACKS (CHN)                | Undisclosed                       | 13.5 (A)     | Auction sale. DD due 12/21.                             |
| PACIFIC PAMELA                               | 49,061  | 1997      | Oshima Zosen (JPN)         | Chinese buyer                     | 8            | SS due 1/22.                                            |
| DOREEN                                       | 35,015  | 2004      | Kouan Shipyard (CHN)       | Undisclosed                       | 12.5         | Open hatch. DD due 9/22.                                |
| <b>TANKERS</b>                               |         |           |                            |                                   |              |                                                         |
| SUNNY ATLANTICA                              | 114,895 | 2006      | Samsung (KRS)              | Chinese buyer                     | 15.5         | Ice 1A. SS due 11/21.                                   |
| HELLAS EXPLORER                              | 51,309  | 2008      | STX Jinhae (KRS)           | Greek buyer                       | 12.8         | Deepwell. IMO II/III.                                   |
| STENA IMPORTANT                              | 49,731  | 2015      | CSSC Offshore Marine (CHN) | Chinese buyer                     | 29 each      | Deepwell. IMO II/III. SS psd 11/20. BWTS fitted.        |
| MARVIN INDEPENDENCE                          | 49,988  | 2018      | Hyundai Mipo (KRS)         | Greek buyer                       | 17.1 (A)     | Auction sale. LNG ready. Deepwell. DD overdue 8/21.     |
| LUTSEN                                       | 12,910  | 2006      | Samho (KRS)                | Undisclosed                       | 6.25         | IMO II. Epoxy. SS psd 8/21. BWTS fitted.                |
| <b>CONTAINERS / RO-RO / REEFER / PCC</b>     |         |           |                            |                                   |              |                                                         |
| MP THE BRADY + MP THE GRONK + MP THE EDELMAN | 68,000  | all 2005  | Hanjin HI (KRS)            | MSC                               | 242          | 5060 TEU. Gearless. 454 Reefer. Scrubber. Dely 2-4Q'22. |
| MP THE BELCHIK                               | 68,000  | 2006      | Hyundai Ulsan (KRS)        | MSC                               | en bloc      | 5041 TEU Geared. 600 Reefer. Scrubber. Dely 2-4Q'22.    |
| E. R. DENMARK                                | 67,935  | 2002      | Samsung (KRS)              | Undisclosed                       | 43.5         | 5762 TEU. Gearless. 656 Reefer. SS due 7/22.            |
| PIRAEUS TRADER                               | 23,732  | 2006      | Guangzhou Wenchong (CHN)   | Euroseas                          | 25.5         | 1740 TEU. Geared. SS due 9/21.                          |
| FEEDER 1                                     | 23,250  | 2021      | COSCO Guangdong (CHN)      | Undisclosed                       | 39           | 1750 TEU. Geared. 492 Reefer. SS psd 2/21.              |

### NEWBUILDING ORDERS

| Ordering Client                          | Vessel Type   | Size / No. of units | Shipyard (Country)     | Delivery  | Price (\$m) | Notes                                      |
|------------------------------------------|---------------|---------------------|------------------------|-----------|-------------|--------------------------------------------|
| <b>TANKERS</b>                           |               |                     |                        |           |             |                                            |
| Shanghai North Sea Shipping              | Shuttle       | 5,000 dwt x 1       | Wuhu (CHN)             | 2023      |             |                                            |
| <b>BULKERS</b>                           |               |                     |                        |           |             |                                            |
| Compagnie Maritime Belge                 | Newcastlemax  | 210,000 dwt +2      | Qingdao Beihai (CHN)   | 2023      | 60-61*      | *Declared options. Tier III. EEDI Phase 2. |
| Golden Ocean Group                       | Kamsarmax     | 85,000 dwt x 3      | Dalian (CHN)           | 2023-2024 | 34          | Dual fuel. Against TC to Equinor.          |
| Franbo Lines                             | Handysize     | 40,000 dwt x 2      | Shin Kurushima (JPN)   | 2023      | sub 30      | Tier III. EEDI Phase 3.                    |
| <b>CONTAINERS / RO-RO / REEFER / PCC</b> |               |                     |                        |           |             |                                            |
| MPC Capital                              | Containership | 5,300 TEU x 4+2     | Hanjin HI (KRS)        | 2023-2024 |             | LOI. Conventional fuel.                    |
| MSC                                      | Containership | 4,200 TEU x 2       | Mawei (CHN)            | 2024      |             | LOI. Conventional fuel.                    |
| Evergreen                                | Containership | 3,200 TEU x 11      | Huangpu Wenchong (CHN) | 2023      | 49          | Scrubber fitted.                           |
| Evergreen                                | Containership | 2,300 TEU x 11      | Huangpu Wenchong (CHN) | 2023      | 40          | Scrubber fitted.                           |
| Evergreen                                | Containership | 1,800 TEU x 2       | Huangpu Wenchong (CHN) | 2023      | 33          | Scrubber fitted.                           |
| CSBC Corp                                | Containership | 2,800 TEU x 4       | CSBC (TWN)             | 2023      |             | Scrubber fitted.                           |

#### Recycling Activity

| Vessel Name    | BUILT        | DWT     | LWT    | Delivery   | Price (\$/wt) | Notes                                                      |
|----------------|--------------|---------|--------|------------|---------------|------------------------------------------------------------|
| <b>LNG</b>     |              |         |        |            |               |                                                            |
| SOUTH ENERGY   | 1980 / USA   | 72,561  | 30,000 | Bangladesh | 720           | High Aluminium content                                     |
| NORTH ENERGY   | 1983 / Japan | 67,005  | 32,000 | Bangladesh | 710           | High Aluminium content                                     |
| <b>SUEZMAX</b> |              |         |        |            |               |                                                            |
| SEA GLAMOUR    | 2000 / Korea | 147,093 | 23,267 | Bangladesh | 603           | Gas Free for Hot Works                                     |
| <b>AFRAMAX</b> |              |         |        |            |               |                                                            |
| SHAFIRA 4      | 1995 / Korea | 95,416  | 16,494 | Pakistan   | 615           | Gas Free for Hot Works / promptly / large Prop / 1st St-St |

#### Recycling Prices (US\$/LWT)

|                                | Bangladesh | Pakistan | India   | Turkey  |
|--------------------------------|------------|----------|---------|---------|
| Tank/Cont/Ro-Ro/Capes/LPG/PCC  | 595/610    | 590/600  | 580/590 | 290/300 |
| Dry Cargo/Bulk/Tween/Gen Cargo | 585/595    | 580/590  | 570/580 | 280/290 |

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

|                     | Newbuild          | 5 Year Old | 10 Year Old |
|---------------------|-------------------|------------|-------------|
| <b>Tankers</b>      |                   |            |             |
| VLCC                | 104               | 72         | 48          |
| SUEZMAX             | 72                | 48         | 33          |
| AFRAMAX             | 58                | 40         | 26          |
| MR                  | 39                | 28.5       | 19          |
| <b>Bulkers</b>      |                   |            |             |
| CAPE SIZE           | 60 <sup>a</sup>   | 40         | 33.5        |
| KAMSARMAX / PANAMAX | 34.5 <sup>a</sup> | 32k        | 23.5k/22p   |
| ULTRAMAX / SUPRAMAX | 33.5 <sup>a</sup> | 30.5u      | 21s         |
| HANDYSIZE           | 28.5 <sup>a</sup> | 25         | 18          |

<sup>a</sup>Chinese price (otherwise based upon Japanese / Korean country of build)

#### Indices

|                       | C.O.B Friday |
|-----------------------|--------------|
| BDI                   | 3864         |
| S/Yen                 | 109.89       |
| VLCC AG/East TD3 (WS) | 35           |

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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.*

### CSSC shipyard starts sea trials for first LNG VLCC for COSCO



China State Shipbuilding Corporation Limited's (CSSC) first liquefied natural gas dual fuelled very large crude carrier for COSCO Shipping began sea trials recently. The vessel is 332.6 metres long and has a deadweight tonnage of 318,000. The vessel is a dual fuelled VLCC and uses LNG as its main fuel which is further supplemented by fuel oil. The vessel is also equipped with dual-fuel generators and dual-fuel boilers.

At the outset, reports state that the VLCC was ordered as a standard fuel ship in 2017 but the contract was later revised in January 2020 by COSCO so that the vessel would utilise LNG as its main fuel.

The vessel is reportedly capable of a filling rate of 1500 cubic meters per hour and has an endurance of 12,000 nautical miles in gas-mode. In addition, the combined endurance of both fuel oil and gas is 24,000 nautical miles. Furthermore, CSSC states that during a voyage, the daily gas consumption of LNG is around 60 tons while the daily fuel oil consumption is about 74 tons.

The shipbuilder stated that many of the systems and materials used were a first. Hence, in the initial stages of construction, the shipbuilder held several technical training and exchange meetings which

laid a solid foundation for personnel involved in construction. Moreover, before the sea trial was gone ahead, the company was in active communication with the shipowner so that full preparations were made to ensure the smooth completion of the sea trial.

The vessel is the world's first LNG fuelled VLCC and will be handed to COSCO Shipping Energy Transportation upon completion. Industry watchers note that VLCC owners are in swift move to order vessels with alternative fuel capabilities in recent times. It is reported that near to half the 71 VLCCs currently on order are LNG dual-fuelled or have LNG / ammonia retrofit capabilities.

### **MAD Atelier International BV v Manes [2021] EWHC 1899 (Comm)**

The recent reforms to witness evidence implemented by Practice Direction 57AC ("PD 57AC") are a significant development in commercial litigation in shaping how parties must prepare their witness evidence for trial. This decision is of interest because it is the first reported judgment considering the Court's powers under PD 57AC.

In 2015, MAD International (the "Claimant") and Mr Manes (the "Defendant") created a joint venture agreement (the "JVA") to develop an international franchise of restaurants. The Claimant alleged that the Defendant had fraudulently induced transactions that led to the termination of the JVA and claimed damages for fraud and hypothetical loss of profits.

The Defendant applied to strike out parts of the Claimant's supplemental witness statements (which addressed the quantum of damages claimed) under paragraph 5.2(1) of PD 57AC, on the grounds that they were in breach of:

1. **Paragraph 3.1 of PD 57AC** because they were not limited to facts which needed to be proved at trial; and/or
2. **Paragraph 3.6 of the Appendix to PD 57AC** because they sought to argue the case and/or contained "matters of belief, opinion or argument about the meaning, effect, relevance or significance of other evidence".

The Judge (Sir Michael Burton GBE) dismissed the Defendant's application. His starting point was that: *"the new Practice Direction does not change the law as to admissibility of evidence or overrule the directions given by the previous authorities ... as to what may be given in evidence."* Emphasis was placed on the flexibility of the Court's approach to the contents of witness statements as set out in *JD Wetherspoon plc v Harris [2013] 1 W.L.R. 3296*, and on the discretionary nature of the Court's power when deciding whether to strike out witness statements under PD 57AC.

The Court held that the test is one of admissibility at trial as set out in Paragraph 3.1(2) of PD 57AC which provides that, in addition to matters of fact, a witness statement may include evidence which "the witness would be allowed to give in evidence in chief, if they were called to give evidence at trial..." Reference to documents in a witness statement also does not necessarily amount to inadmissible "commentary" because paragraph 3.2 of PD 57AC requires the identification of documents to which the witness has been referred for the purposes of giving their statement.

In summary, this recent judgment provides:

1. Guidance that the recent reforms were not intended to vary the rules on the admissibility of evidence or overrule previous authority on what may be given as evidence.

2. A reminder that, where a witness has relevant knowledge and experience, their opinion may be admissible, including in respect of hypothetical and counterfactual scenarios.
3. An early indication that the courts will take a robust and common-sense approach to the implementation of the new reforms.

## **NYK and Orca AI partner to bring us one step closer to autonomous cargo vessels**



Beginning on 30<sup>th</sup> August 2021, a trial of Orca AI's Automatic Ship Target Recognition System is being carried out aboard one of Nippon Yusen Kabushiki Kaisha's group vessels (NYK).

MTI Co. Ltd partnered on installing the software on the ship, which includes a new lookout support system designed to identify and alert crew of hazards which may otherwise be missed by the human eye.

Orca's AI navigation and collision avoidance system will automatically identify dangerous targets and other vessels by using vision sensors, thermal cameras and an integrated AI-powered algorithm which is designed to constantly analyse the environment. Information from these devices is then neatly collated on a tablet or touch screen monitor so that crew can be quickly informed of potential hazards. Of particular note is the system's ability to recognize small vessels or marker buoys which are not captured by radar and which do not have AIS.

In an industry which sees over 4000 casualties annually, Orca's Automatic Ship Targeting Recognition System is a promising endeavour to reduce the number of marine accidents each year.

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