

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 – All Aboard!

Despite a plethora of available candidates our sales list would suggest a stalling in activity for kamsarmax and panamax bulkers. When you delve more deeply there is a limited supply of 10/15 year old vessels and this abundance truly lies in the 5/10 year old bracket. Some buyers may reflect that today you will have to pay twice the price for a 10-year old Chinese panamax bulker than you would have done when compared to the beginning of the year. Despite our commentary regarding China in our previous reports there does seem some uncertainty from Chinese buyers resulting from the potential fallout from the demise of Evergrande property group, which has over US\$300 billion in liabilities.

The volume of sales of supramax and handy bulkers continues at an unrelenting pace with buyers emanating from various parts of the globe. It may be that these less capital intensive investments are more attractive to many buyers, but still enabling them to get on the dry cargo freight band wagon.

RECYCLING – Climbing Back Up

A strong week for the Recycling markets as steel prices in India and Bangladesh have soared up tremendously. A whole host of sales (mainly large Tankers) are being reported this week at levels well into the US\$ 600's. Local steel markets in India have been on the rise since the past 7-8 days giving the Alang market a shot in the arm and local breakers a real boost in being able to acquire tonnage at much more aggressive prices. Effectively being able to now compete at last with Pakistan and Bangladesh, and with Diwali just around the corner, we could be headed towards historic high scrap prices emanating from India. Bangladesh has in fact been a little quiet the past few weeks, but, like its neighbours, has seen a sudden increase in steel demand allowing price levels to firm. This sudden demand for steel in the Sub-Cont is likely due to a chain of events starting from coal shortage, energy crisis, power outages in steel manufacturing units as a result lower production of finished steel at a higher cost... all this combined with a lack of ships available for Recycling has sky-

rocketed prices. This means the next milestone to pass is the US\$ 650 per LWT figure, which we're now drawing close to. Prices in Pakistan have not yet followed the footsteps of India and Bangladesh, but we will very likely be seeing this soon if history repeating itself has anything to do with it.

TANKERS – Tempered Tankers

Conventional crude and product tanker sales are in short supply this week and newbuilding orders remain an expensive gamble, the latter not least due to the ever-growing gamut of fuelling specification options and now even membrane versus C-type bunker tanks becoming an additional variable (as currently playing out on large containership orders). Furthermore, Carbon Capture & Storage (CCS) poses a potential bridging solution if Wartsila's efforts on-board the LEG/LPG "CLIPPER EOS" (18,056 dwt/2019 Hyundai Mipo) prove successful in reaching its 70% removal goal and are scalable all the way up to VLCC. With flat tanker earnings not easily supporting ever-costlier newbuildings, could retrofitting emerge from behind to steal the racing line between the LNG and the Ammonia fuel debate? With asset values stubbornly flat to faltering CCS retrofitting could certainly present a panacea to keeping fleet supply fundamentals in check (infrastructure developments pending of course).

Meanwhile, there has been a quiet hive of activity in the stainless steel segment of late, led primarily by Vietnamese protagonists. While last week's buyer of the "CHEMBULK GORDA" + "ARCELONA" + "NEW ORLEANS" (33,000 dwt/blt 2003-2004 Japan) at US\$9m each remains noted only as Vietnamese, Petro Vietnam is named as the purchaser of the smaller "SHAMROCK JUPITER" (19,837 dwt/blt 2009 Fukuoka) at US\$15.3m with SS due in December. With very few stainless steel ships built in recent years, last week also saw Dutch buyer Ace Tankers extend its newbuilding orders at S. Korea's DaeSun Shipbuilding with an additional pair of 33,000 dwt chemical carriers for a previously fixed option price of US\$47m apiece for the Tier III and EEDI 3 compliant units.

Gibson Sale & Purchase Market Report

.S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
RAMANAS ROSE (HULL NO. 11007)	84,500	2021	Oshima Dock (JPN)	Undisclosed buyer	44	36.5m beam. Dely 11/21.
SHANDONG HAI CHANG	75,000	2011	Penglai Zhongbai Jinglu (CHN)	Undisclosed buyer	16.75 (A)	Auction sale. SS due 1/22.
DANIELA OETKER	61,288	2015	Shin Kasado (JPN)	Meghna Carriers	29.8	SS psd 3/20. BWTS fitted.
WP BRAVE	58,627	2012	SPP Sacheon (KRS)	Undisclosed buyer	21.75	SS due 7/22.
HTC DELTA	56,533	2014	Taizhou Sanfu (CHN)	Undisclosed buyer	21.5	DD due 6/22.
SHANDONG HAI SHENG	56,531	2011	Yangzhou Guoyu (CHN)	Chinese buyer	17.1 (A)	Auction sale. SS due 1/22.
IKAN SELAYANG	56,139	2013	Mitsui (JPN)	Undisclosed buyer	26.5	SS psd 6/21.
ATLANTIC YUCATAN	55,863	2006	Kawasaki (JPN)	Undisclosed buyer	low 17	
LUCKY SEA	52,246	2005	Yangzhou Dayang (CHN)	UAE buyer	14.2	SS psd 2/20.
KIVELI	38,191	2008	I V I (BRZ)	Undisclosed buyer	11	SS psd 3/20.No BWTS.



FEDERAL ELBE + FEDERAL DANUBE	37,300	2003+2004	New Times (CHN)	Undisclosed buyer	23 en bloc	Laker. SS due 12/21+7/22. BWTS fitted. Ice 1C. Dely 1/22.
CREST NAVIGATOR	36,360	2012	Shikoku (JPN)	Undisclosed buyer	22	SS psd 11/20.
XING NING HAI	34,443	2015	Namura (JPN)	StarOcean Marine	23.1	SS psd 8/20. BWTS fitted.
GLOBAL PASSION	33,686	2011	Shin Kochi (JPN)	Undisclosed buyer	17.5	SS psd 1/21. BWTS fitted. Dely 11/21-1/22.
OCEAN HOPE	32,876	2012	Kanda (JPN)	Undisclosed buyer	low-mid 18	SS psd 8/20.
QUEEN ASIA	28,425	2011	I-S Shipyard (JPN)	Undisclosed buyer	reg 15	SS psd 3/21. BWTS fitted.
SKOPOS	28,083	2001	Bohai (CHN)	Chinese buyer	7.5	SS psd 2/21. BWTS fitted

TANKERS

SHAMROCK JUPITER	19,837	2009	Fukuoka (JPN)	Petro Vietnam	15.3	Stainless steel. SS due 12/21.
SICHEM MUMBAI	13,085	2006	21C Shipbuilding (KRS)	Undisclosed buyer	4.9	Epoxy. IMO II. SS due 1/22.
MARINUS	7,082	2003	Gelibolu Gemi (TRK)	Undisclosed buyer	3.9	Epoxy. IMO II.

CONTAINERS/RO-RO/REEFER/PCC

HARPY HUNTER + HERON HUNTER ALS FAUNA ALS JUNO	51,575 51,733 50,300	both 2009 2008 2009	Hyundai Ulsan (KRS) Samsung (KRS) Jiangsu Newyangzi (CHN)	Zim	reg 60 reach	4255 TEU. Gearless. 4253 TEU. Gearless. 400 reefer. 4256 TEU. Gearless. 698 reefer
IRENES RESPECT	39,418	2006	Hyundai Mipo (KRS)	CMA CGM	44	2824 TEU. Gearless. 400 reefer. SS psd 7/21.
VIKING MERLIN	23,560	2014	Guangzhou Wenchong (CHN)	MSC	33	1740 TEU. Geared. DD psd 6/21. Dely 1-2/22.

GAS (LNG/LPG/LAG/CO2)

IRIS GLORY	54,707	2008	Daewoo (KRS)	Japanese buyer	41.65	81,995 cbm. DD psd 1/21. Basis 9 yrs BB back.
SUNNY GREEN	50,667	1992	Mitsubishi Nagasaki (JPN)	Undisclosed buyer	18.5	76,937 cbm. SS due 3/22.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
CONTAINERS / RO-RO / REEFER / PCC						
Cido Shipping	Containerhsip	15,600 TEU x 2+2	Hyundai HI (KRS)	2023-2024	est. 175	LNG dual fuel. 12,800 cbm membrane LNG tanks. For TC to MSC.
Zodiac Maritime	PCTC	7,000 CEU x 4+8	Yantai CIMC Raffles (CHN)	2023-2024	83	Dual fuel. C-type LNG bunker tanks.
GAS (LNG/LPG/LAG/CO2)						
MOL	LNG	174,000 cbm +1	Daewoo (KRS)	2024	197.6*	*Declared option. Me-Ga engine. Reliquefaction. Shaft generator.
Iino Kaiun	LAG	23,000 cbm x 1	Hyundai Mipo (KRS)	2023		Ammonia dual fuel. Against T/C to Mitsui & Co

COSCO Shipping Investment	LPG	5,500 cbm x 2	Jinling (CHN)	2023	reg 20	
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Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
VLCC						
EM LONGEVITY	2000 / Korea	306,324	46,657	Bangladesh	632	Gas Free For Hot Works
SUEZMAX						
SONANGOL GIRASSOL	2000 / Korea	159,057	23,212	India	618 NET	HKC Green Recycling / GF for HW
SONANGOL LUANDA	2000 / Korea	159,178	23,312	India	618 NET	HKC Green Recycling / GF for HW
LR1 / PANAMAX TANK						
WALLEYE	2003 / Korea	70,297	13,906	India	618 NET	HKC Green Recycling / GF for HW
MUSKIE	2003 / Korea	70,362	13,841	India	620 NET	HKC Green Recycling / GF for HW
VEHICLE / PASSENGER						
ST. LEO THE GREAT	1992 / Japan	3,520		as-is Manilla	400	last weeks sale
RO-RO						
MAHABBAH	1972 / Japan	2,815	6,414	as-is UAE	525	
MASARRAH	1972 / Denmark	1,945	5,700	as-is UAE	525	

Recycling Prices (US\$/LWT)

	Bangladesh	India	Pakistan	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	615/630	610/620	595/605	295/305
Dry Cargo/Bulk/Tween/Gen Cargo	600/615	600/610	585/595	280/295

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old
Tankers			
VLCC	108	70	46
SUEZMAX	75	48	32
AFRAMAX	59.5	40	26
MR	40.5	28	17.5
Bulkers			
CAPE SIZE	60.5^	41	35
KAMSARMAX / PANAMAX	35^	34.5k/32p	25.5k/24p
ULTRAMAX / SUPRAMAX	33.5^	31u	23.5s
HANDYSIZE	29.5^	25	17.5

^=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.

Amazon, Ikea and Unilever Promise Zero Emission Shipping 2040 Target



Nine international companies including Amazon and Unilever have committed to using only zero-emission ships to transport their cargo by 2040, in the biggest step yet to decarbonise ocean shipping. The pledge will hopefully give shipping groups and others confidence to invest in the ships, infrastructure and fuels needed to eliminate the sector's greenhouse gas emissions. Decarbonising shipping will involve investing billions of dollars in redesigning fleets and producing new fuels such as green ammonia, methanol and hydrogen at scale. Amazon stated its goal would apply to any cargo it handled, including that of third-party sellers.

The group of companies, which includes Zara owner Inditex, Michelin, Patagonia, Brooks Running, Frog Bikes and Tchibo, said fuels used to hit the 2040 target must be sufficiently scalable and have zero greenhouse gas emissions on a lifecycle basis including production, not just during use.

Significantly, the companies have explicitly ruled out using ships that run on liquefied natural gas, which puts pressure on groups such as France's CMA CGM to power those vessels with green methane, or face the risk of ships prematurely depreciating or being written down. Green methane could fuel LNG-powered ships, unlike methanol, ammonia and hydrogen.

The initiative vindicates the decision by Maersk to be the first company to invest in vessels capable of running on green methanol and avoid investing in LNG-powered ships. The companies' initiative goes well beyond current plans under the IMO, which set a target in 2018 to cut the sector's emissions by at least 50 per cent by 2050 versus 2008 levels.

Singapore Tuas Port Storage Space Opens and More Workers Hired



Singapore has opened yard capacity for 2,000 twenty-foot equivalent units (**TEUs**) last month at the new Tuas mega port, which is not yet in operation. Singapore ports are reportedly reaching into reserves and operating 24/7 to assist with the global supply chain disruption which arose as a result of the covid-19 pandemic, and which resulted in manpower shortages and port closures elsewhere. As reported, Singapore ports have not been shielded from the disruption, with containers being trapped in transit and awaiting shipment. Port workers in the country has also been boosted by around 20 per cent with 2,500 locals added to the maritime workforce. However, the increase in

consumer spending has added and intensified the backlog.

Nonetheless, Singapore says that it is attempting to assist vessels to make up for lost time and thus, more yard space can be made available when necessary. The Senior Minister of State for Transport, Mr Chee Hong Tat stated that Singapore has become the port of choice for shipping lines attempting to make up lost time and connections in other ports. The comprehensive maritime services that Singapore offers, such as supplies, crew change and bunkering also assisted with this. However, the Minister added that by the same token, containers stay in the yard much longer than before as vessels attempt to make use of this one-stop service available.

The Minister mentions that while Singapore cannot be the one solution to the logjam, it recognises its global responsibility as a transshipment hub and targets to assist shipping lines, *"catch up on their delayed vessel schedules, shorten the transit time of boxes and fulfil more cargo connections."* The port operator has also reportedly expedited the movement of essential materials such as semiconductors which are required for the manufacturing of electronic parts which are used in health and other devices. Furthermore, the operator has also been providing data and advice to shipping companies and cargo owners on effective route planning.

The 2,000 TEUs of yard capacity is in addition to 65,000 TEUs worth of storage space which was made available late last year at Keppel Terminal, Singapore. While the Tuas mega port is not in operation yet, reports state that the first two berths are set to open at the end of 2021.

Rio Tinto Sells Bulk Carrier Newbuilds to JP Morgan



Rio Tinto has sold three LNG dual-fuelled bulk carrier newbuilds to JP Morgan, recording a profit of about USD \$24 million on the deal.

The vessels are part of a booking with Chinese state-owned Qingdao Beihai Heavy Shipbuilding Industry for twelve ships in all. The contract also includes privately-owned New Times Shipbuilding to deliver six of the vessels in 2023.

Code named "Project Orion", the twelve ship booking reportedly saw the mining giant pay USD \$67 million for each of the bulker newbuilds. The three sold in the latest deal with JP Morgan had a price tag of USD \$75 million on each vessel.

Rio Tinto has not chartered back the three units from JP Morgan, as it did after novating the remaining nine newbuilds to South Korea's H-Line Shipping and the six New Times ships to Idan Ofer's Eastern Pacific Shipping.

The company is reducing the number of LNG bulk carriers under its control in an apparent effort to reduce its carbon footprint. By 2050 Rio Tinto aims to be net-zero in shipping and has stated in the past it views LNG only to be a stepping stone on the path toward carbon neutrality. Rio's chief commercial officer, Alf Barrios, reports that by 2030 the company will introduce net-zero emission vessels to its fleet.

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