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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 – Stumbling Blocks

Buyers looking to secure tonnage in this new softer price environment are meeting a certain resistance from some sellers. For instance, from Japanese owners, who are generally considered to be straight forward sellers, in that they usually sell at best, now appear to be digging their heels in. We understand the Japanese owned "**CORAL BREEZE**" (55,582 dwt/blt 2009 Mitsui, Japan) saw offers at US\$17m levels and owners were disappointed with the same and are now thinking of withdrawing the vessel from the market. Similarly, the Japanese controlled "**BULK ORION**" (56,155 dwt/blt 2011 Mitsui, Japan) was under negotiations but failed to come to terms and now owners are apparently in discussions for a one-year time charter. This is quite typical of Japanese controlled tonnage if they fail to achieve the desired price level then sellers will look to fix on time charter to a Japanese operator. The question will be, given the weaker freight market, at what level will they be interested to take the vessel in question or if at all?

RECYCLING – Time for (Covid) Caution

A fairly slow and relatively inactive week has passed. Sales wise it seems to be all about Suezmax tonnage of late with a few having now been sold in as many weeks. There are also a number of other similar aged Suezmax units being circulated for sale in the second-hand market and have been for some time, therefore it would not come as a surprise if we see a few more committed to the recyclers, especially with rates in the low to mid US\$600's still on offer. Meanwhile, since we witnessed the recent drop in prices and a cooling of the market, some nerves remain from many within the industry that we may gradually see a further softening of price levels. Demand has dropped a little for finished products and of course now there is more negative news and concern that Covid may rear its ugly head again which would spell trouble for everyone everywhere. Despite this caution, it is pleasing to still continue to report sales at what (should not be forgotten) is historically firm demo levels.

TANKERS – Modern Mismatch

A decidedly lacklustre week with few notable sales. Modern tonnage appears priced too dearly as we hear of buyers and sellers mismatched on values.

However, the modern aframax **"ANTONIS"** (113,563 dwt/blt 2017 Daehan) has found a buyer. We hear Advantage Tankers have tied her up for around US\$45m, which looks a strong level. There is an abundance of older aframax to choose from, but a lack of vintage buyers, which the pundits are hoping will encourage owners to follow the recycling route. Some older LR1s have been sold, **"NORDMERKUR"** + **"NORDNEPTUN"** (74,999 dwt/blt 2004 Hyundai Ulsan) have gone to a Middle Eastern buyer, the price is reported to be US\$10m each; in December 2020 two same aged sisters sold for US\$10.25m.

Pricing of the Medium Range tankers is difficult to follow at the moment and there are big swings from ship to ship and from age to age. GMS have picked up the deepwell **"PTI RHINE"** + **"PTI AMAZON"** (51,271 dwt/blt 2007 + 2007 STX Jinhae) for a reasonable looking US\$9.8 each, although surveys are due in beginning of 2022. It was only a few weeks back that the same aged **"STAR EAGLE"** (51,202 dwt/blt 2007 STX Jinhae) sold for USD 11.75m.

NEWBUILDING – Wait and See...

Current COVID-19 variant fears have hit tanker markets hard as a return of oil/ tanker demand is a widely acknowledged to be linked to the credible reopening of economies. Whilst there remains some solid foundations for the case for placing tanker newbuildings next year (an approaching historically low orderbook, comparatively high second-hand pricing), a rebounding or rallying tanker market is key to rationalising the current newbuilding price levels that are unlikely to fall any time soon. Current newbuilding pricing is high relative to the poor performance of the tanker market this year and whilst is it still far lower than all time historical highs (30% less in the case of aframax), some liquidity relief for tanker owners and their existing vessels on the water is realistically needed to enable a platform to take a forward position. Christmas season is already beginning also so it is typically not the time for major decisions/ investments by major shipping players especially with this ongoing uncertainty.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
CHINA STEEL REALIST	203,512	2007	C S B C Kaohsiung (TWN)	Chinese buyer	21.5	SS due 4/22.
NAMURA 503	181,500	2022	Namura (JPN)	Ocean Longevity	59	BWTS fitted. Dely 3/22.
MAYFAIR SPIRIT	93,257	2011	Jiangsu Newyangzi (CHN)	Undisclosed buyer	19	SS psd 8/21.
SM AURORA	81,970	2012	Jiangsu Eastern (CHN)	Chinese buyer	21	SS + BWTS due 8/22
TSUNEISHI ZHOUSHAN SS-312 tbn 'AEROLINE'	66,000	2023	Tsuneishi Zhoushan (CHN)	Greek buyer	35	Delivery 3/23.
NONI	61,631	2015	NACKS (CHN)	Pacific Rim / Royal Marine	27.6	SS psd 1/21.

GDF SUEZ NORTH SEA	55,848	2012	IHI (JPN)	Undisclosed buyer	21	BWTS fitted. SS psd 6/20.
FAREAST HOPE	55,628	2004	Oshima Zosen (JPN)	Chinese buyer	14.7	DD due 12/21.
CHERRY DREAM	51,703	2011	Oshima Zosen (JPN)	Undisclosed buyer	17.8	Open hatch. SS psd 2/21. BWTS fitted.
DRY BEAM NEO + FRAGRANT ATHENA	38,131	2019 + 2020	Shin Kochi (JPN)	Greek buyer	30 each	BWTS fitted. Inc TCs @ \$ mid+high 20s k/psd to 3/22.
ROYAL JUSTICE	37,000	2012	Saiki (JPN)	Greek buyer	19.5	SS due 12/22.
ATLANTIC VERACRUZ	28,339	2009	Shimanami (JPN)	Undisclosed buyer	12.7	SS+BWTS due 7/22. Dely 1/22.
TANKERS						
DAEWOO 5496 + 5497 + 5498	300,000	2023	Daewoo (DSME - Geoje) (KRS)	Undisclosed buyer	245 en bloc	7-yr lease structure +purch' options + 7 yrs TC to Shell upon dely.
ANTONIS	113,563	2017	Daehan (KRS)	Advantage Tankers	45	SS due 6/22. BWTS fitted. Ice 1C. On subs.
NORDMERKUR + NORDNEPTUN	74,999	both 2004	Hyundai Ulsan (KRS)	Middle Eastern buyer	10 each	Deck heaters.
PTI RHINE + PTI AMAZON	51,271	both 2007	STX Jinhae (KRS)	GMS	9.8 each	Deepwell. SS due 2+3/22.
AS OMARIA	19,973	2007	Usuki (JPN)	Undisclosed buyer	11	Stainless steel. SS due 5/22.
SAEHAN FREESIA	8,719	2002	Shin Kurushima (JPN)	Indonesian buyer	3.6	Stainless steel. SS due 2/22.
NEWOCEAN 6	4,679	2014	Chongqing Chuandong (CHN)	Undisclosed buyer	5.3	Bunkering tanker. Twin M/E.
ELSE MARIE THERESA + MARIA THERESA	4,400	2001+2002	Gisan + RMK Marine (TRK)	Undisclosed buyer	1.5-2 each	Marineline. SS due 12/21.
GENERAL CARGO / MULTI-PURPOSE						
CHUAN YANG	6,097	1990	Nishi (JPN)	Undisclosed buyer	1.5	Gearless.
CONTAINERS / RO-RO / REEFER / PCC						
LEO PARAMOUNT	72,968	2005	Koyo (JPN)	Greek buyer	40	6350 TEU. Gearless.
X-PRESS GUERNSEY X- PRESS JERSEY	60,149 56,593	2015 2014	Samjin (CHN) Zhejiang Ouhua (CHN)	MSC	210 en bloc	5001 TEU. Gearless. 4896 TEU. Gearless.

AS PALATIA	34,496	2006	STX Jinhae (KRS)	Undisclosed buyer	71.6 en bloc	2602 TEU. Geared.
AS PETULIA	34,222	2008	Xiamen (CHN)			2564 TEU. Geared.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
GENERAL CARGO / MULTI-PURPOSE						
Atlantska Plovdba	Kamsarmax	82,000 dwt +2	Jiangsu New Hantong (CHN)	2024	34.25*	*Declared options.
Hainan Chuangyuan	Bulker	15,515 dwt x 6	Yangzhou Ryuwa (CHN)	2023-2024		LNG dual fuel.

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
SUEZMAX						
BLUE SHIP	2001 / Korea	164,589	24,370	as-is Singapore		
JACOB	2000 / Korea	157,411	22,572	as-is Batam	625	
ASTRA	2002 / Japan	149,995	22,560	as-is India	576	HKC Green Recycling / last weeks sale
NAVION ANGLIA	1999 / Spain	126,746	26,087	Turkey		old sale

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	620/640	610/620	575/590	350/360
Dry Cargo/Bulk/Tween/Gen Cargo	610/620	600/610	565/575	330/340

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old
Tankers			
VLCC	108.5	70	46
SUEZMAX	75	47	31
AFRAMAX	60	40	26
MR	41	28	17.5
Bulkers			
CAPE SIZE	60.5^	41.5	35
KAMSARMAX / PANAMAX	35^	34k/31.5p	25k/23p
ULTRAMAX / SUPRAMAX	33^	30u	23s
HANDY SIZE	29.5^	26	18.5

^=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.

World's First Fully Autonomous Electric Containership Debuts



The world's first autonomous, fully electric containership, the Yara Birkeland, has made its maiden voyage as part of Norway's plan to reduce emissions and clean up its shipping industry.

The Yara Birkeland is owned by Yara International ("Yara") and has been developed in collaboration with prominent technology company, Kongsberg Group. The ship was built with financial support from Enova, an enterprise of the

Norwegian Government which is responsible for promotion of renewable energy.

In replacing lorry haulage between Yara's plant in Porsgrunn, southern Norway and its export port in Brevik, starting next year, the vessel will cut 1,000 tonnes of carbon emissions per year. This is the equivalent of 40,000 diesel-powered journeys by road.

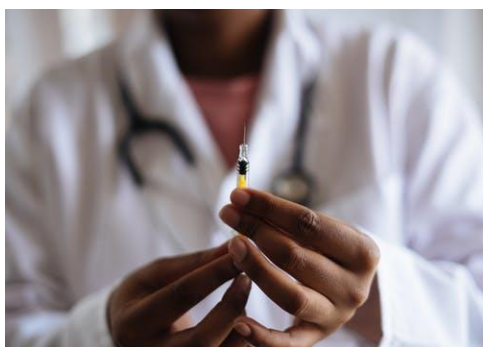
In a press conference following Norwegian Prime Minister Jonas Gahr Støre's tour of the vessel, Yara's CEO, Svein Tore Holsether, announced:

"Yara Birkeland will transport mineral fertilizer between Porsgrunn and Brevik and will contribute to significant emission cuts during transport. This is an excellent example of green transition in practice, and we hope this ship will be the start of a new type of emission-free container ships. There are a lot of places in the world with congested roads that will benefit from a high-tech solution like this."

Commercial operations will begin next year to mark the start of a two-year trial of the technology that will make the ship self-propelled, and finally certified as an autonomous, all-electric container ship. Sensors will detect and understand objects in the water to enable the ship to quickly decide what action to take to avoid collisions.

The ship has a capacity of 120 20-foot containers and will initially undertake two journeys per week. Eventually, the ship will load and offload its cargo, recharge and navigate without any human involvement.

Kiribati Seafarers Remain Stranded Overseas Due to COVID-19 Restrictions



Hundreds of Kiribati sailors are still unable to get home due to their country's strict COVID-19 restrictions. Up until this week, over two hundred Kiribati seafarers were still awaiting repatriation. According to the group, Human Rights at Sea, 37 remain in Germany, 12 in Indonesia, 15 in South Korea and 39 in Australia; while the repatriation of 142 sailors previously stranded in Nadi, Fiji is underway.

With a population of nearly 120,000, the island nation of Kiribati has seen some of the toughest measures to prevent the spread of Covid-19. Since September 2020 the borders have remained closed, with few exceptions made for humanitarian flights. All commercial flights are still suspended and following two positive COVID-19 cases in May, plans for repatriation flights were suspended also.

However, a number of shipowners have been working to get Kiribati crew back home safely. The latest effort has seen a contingent of 142 sailors depart Fiji on the cruise ship MV REEF ENDEAVOUR, bound for the Kiribati port of Betio. The ship left Fiji on 24 November and is en-route to Betio, where it will remain offshore for a two-week quarantine period before sailors can be reunited with their families.

Maersk, one of the biggest employers of Kiribati seafarers, has taken a leading role in repatriation efforts for Kiribati nationals. Along with the International Labour Organization and the International Maritime Organization, Maersk has been negotiating with the Kiribati government for full repatriation of stranded sailors. These negotiations have met with varying degrees of success. The Kiribati government is reluctant to accept full repatriation by air and seems only open to allowing piecemeal repatriation by sea via Fiji.

As a result, Maersk and other owners have arranged for the 39 sailors currently in Brisbane, Australia to fly to Fiji on 2 December 2021. It is intended that the flight to Fiji will be the first leg on their trip home, with the small cruise ship MV REEF ENDEAVOUR due to take them the rest of the way in due course. However, Kiribati's ongoing border closures and pattern of delays make the arrangements worryingly uncertain. Maersk has reportedly made further arrangements for the seafarers in Germany, Indonesia and South Korea to be flown to Fiji in early December also.

Earlier this year around 320 Kiribati sailors were stranded in Brazil, Denmark, Spain and Germany. Negotiations much like those above enabled them to return home. Of those who have yet to be repatriated, many have gone nearly two years without seeing family. Captain Ross Nicholls, president of the Mission to Seafarers in Brisbane said, "*For the older members of the group, they have spent many years as a seafarer living a life of isolation, however for the younger members who are less experienced and have young families, the stress of this detention and isolation is telling on their faces and by their actions*".

EU Anti-Trust Regulator Resumes Investigation into Hyundai-Daewoo Merger



The EU Commission revealed this week that it has resumed its in-depth investigation into the merger of two major South Korean shipbuilding entities. This announcement comes 16 months after the investigation was suspended in July 2020, with the EU citing that it had not received sufficient information from the two companies.

It was originally announced in December 2019 that Hyundai Heavy Industries Holdings Co. (a holding company of Hyundai Heavy Industries Group) planned to acquire Daewoo Shipbuilding & Marine Engineering Co. for \$1.8 billion.

The proposed merger would create the world's largest shipbuilding conglomerate with a 21% market share. This creates concerns around fair competition in the markets for large container ships, tankers, LNG and LPG carriers. There is a particular focus on the monopoly the merger would create for gas carriers, as approximately 60% of the current 91 orders for LNG carriers are either with Hyundai or Daewoo.

When announcing its plans to launch the review, the EU Commission said:

"The Commission has concerns that the remaining shipbuilders would not exert sufficient competitive pressure on the merged entity in the four markets concerned by the transaction. It also has concerns that the customers would not have sufficient bargaining power to constrain the merged entity."

For the deal to go ahead, regulatory approval is required by South Korea, China, Kazakhstan, Japan, the EU, and Singapore. To date, only China, Kazakhstan, and Singapore have given the deal a green light. The EU Commission has given 20th January 2022 as the provisional deadline for the completion

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