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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 – Tiger Time?

As we enter the Chinese year of the Water Tiger many dry cargo owners will hoping market provides the auspicious sentiments attached to this year namely strength and tenacity amongst others. This anticipated turn of events will not happen until the return from holidays but in the meantime pressure continues to be exerted on values. For instance the reported sale of the **"NORD FORTUNE"** (76,596 dwt/blt 2008 Imabari, Japan) at US\$16.5m represents, as suggested last week, further erosion in values. This may be attributed to the fact that the Japanese owners did not provide an independent inspection report or allow any inspections, so this blind purchase would likely have discouraged many buyers to participate. As an example of where we have come from last year the **"YUTAI AMBITIONS"** (77,823 dwt/blt 2008 Oshima Zosen, Japan) was sold in November 2021 at region US\$18.2m and even taking in to account the year older depreciation this is effectively a million dollar reduction.

RECYCLING – Onwards and Upwards

As anticipated the Recycling markets are holding strong with levels firming and are now in the mid US\$600's per LWT. Markets in Alang have jumped and we can report an MR tanker has reportedly been sold to end buyers for region US\$ 640 per LWT which is probably the highest price Alang buyers have paid since the start of the pandemic. Meanwhile the Indian Budget 2022 was announced earlier this week but there were no major duty or tax changes that would affect the industry. Elsewhere in Bangladesh it continues to be the hottest destination as local breakers remain in search for some much needed tonnage. The local steel markets, as is the case throughout all the demo markets, continue to remain strong. Pakistan is also following in the footsteps of its counter-parts as cash buyers remain very bullish and demand for inventory on their yards only gets bigger. Overall, the scarcity of ships available for scrap continues with little activity in recycling markets. So far in 2022 we have witnessed a trend of owners willing to do more private deals making it difficult to determine actual prices and the number of ships being sold. A trend likely to continue...

TANKERS – Eye of the Tiger

MR tankers dominate the few sales this week with robust prices on display, as the “**AQUILA L**” + “**ARCTOS**” (49,999 dwt/blt 2018 Hyundai Mipo) set a nine year old marker, although there are some suggestions of it being an internal deal between partners rather than an open market sale. As regards older tonnage, last week’s rumours of the sale of pump-room type “**PRIME EXPRESS**” (45,996 dwt/blt 2010 Shin Kurushima) have been supported by reports of US\$16.4m paid by Spring Marine, continuing their 4Q 2021 spending spree. The deal broadly also broadly falls in line with the same aged BWTS fitted “**CELSIUS PALERMO**” (49,999 dwt/blt 2010 Shin Kurushima) at US\$16.75m sold in December, duly considering that the “**PRIME EXPRESS**” is not BWTS fitted by comparison.

Meanwhile, the crude sector is devoid of many modern tonnage sales this week, but vintage tonnage continues to present low risk investment with underlying residual values increasing against surging recycling rates to push to within 5-8% of trading sale prices, as evidenced with the sales of aframax “**GUNDALA**” (107,127 dwt/blt 2003 Imabari) at US\$11.7m and suezmax “**KAVERI SPIRIT**” (159,101 dwt/blt 2004 Hyundai) for US\$15.8m.

NEWBUILDING – Year of the Crouching Tiger

Little to report in the newbuilding market as yards have been closed for the annual, festive holidays this week. Sentiment in the tanker market on a rate recovery has fallen further this week with many putting a meaningful recovery later into 2022 or even 2023. However, buying appetite for 2nd hand vessels remains buoyant indicating confidence from owners that the market will come back. On the one hand there still remains a play for newbuildings as orderbooks are falling, potential for scrapping is real (when sanctions are lifted and the costs of complying with EEXI/ CII hit older vessels) and some recovery in the oil supply is widely expected at some point. However, if current poor rate continue then this will have to bring down 2nd hand pricing and then the newbuilding play/ pricing may not be so attractive.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
SILVER STAR	79,200	2011	COSCO Dalian (CHN)	Middle Eastern buyer	18.2	Geared. SS+BWTS psd 1/22.
NORD FORTUNE	76,596	2008	Imabari (JPN)	Newport	16.5	SS psd 10/21.
ELVA	73,910	2001	Namura (JPN)	Undisclosed buyer	reg 11	SS psd 8/21. BWTS fitted.
KOUJU LILY	58,872	2011	Kawasaki (JPN)	Greek buyer	24.5	Dely 3Q'22. Inc 5 yrs BB back. DD due 11/22. BWTS fitted.
SAFESEA NEHA II	53,389	2008	Yangzhou Dayang (CHN)	Undisclosed buyer	high 13	DD due 4/22.
CIELO DI VIRGIN GORDA	39,202	2015	Yangfan (CHN)	Oldendorff	22.7	Open hatch. Eco.

DAIDO AMBITION	37,982	2021	I-S Shipyard (JPN)	FGM Chartering	33	DD due 12/22. BBHP deal. SS psd 5/21.
DOREEN	35,015	2004	Kouan Shipyard (CHN)	Singaporean buyer	22	1,878 TEU. Open hatch. SS psd 1/22. BWTS fitted.
SUPER VALENTINA	33,382	2013	Shin Kurushima (JPN)	Undisclosed buyer	18	Open hatch. SS due 2/23.
WOORI STAR	28,678	1999	Imabari (JPN)	Undisclosed buyer	7	Logs. DD due 5/22.
ROYAL INNOVATION	28,050	2011	Imabari (JPN)	Alma Navigation	13	SS psd 11/20.
SKAWA	17,073	2012	Taizhou Sanfu (CHN)	Undisclosed buyer	10	SS due 6/22. Ice 1C.
TANKERS						
KAVERI SPIRIT	159,101	2004	Hyundai Ulsan (KRS)	Undisclosed buyer	15.8	DD due 2/22.
GUNDALA	107,127	2003	Imabari Saijo (JPN)	Chinese buyer	11.7	SS due 1/23.
ARCTOS + AQUILA L	49,999	both 2018	Hyundai Mipo (KRS)	Undisclosed buyer	34 each	Deepwell. SS due 7+9/23. BWTS fitted.
PRIME EXPRESS	45,996	2010	Shin Kurushima (JPN)	Spring Marine Management	16.4	Pump-room. SS psd 11/20. No BWTS.
CELSIUS MONACO	19,999	2005	Shin Kurushima (JPN)	Korean buyer	7.75	Stainless Steel. DD due 10/23.
CELSIUS MANILA	19,997	2002	Shin Kurushima (JPN)	Far Eastern buyer	7.9	Stainless Steel. SS due 3/22.
OCEAN MORAY	11,999	2018	Zhejiang Shenzhou (CHN)	Hong Lam Marine	10	Epoxy. IMO II. SS due 1/23. BWTS fitted. Already renamed.
CONTAINERS / RO-RO / REEFER / PCC						
IONIKOS	52,462	2009	Hanjin HI, Philpns (PHI)	Undisclosed buyer	96	4308 TEU. Gearless. Dely 6/22.
HSL SHEFFIELD HSL PORTO	34,282 33,829	2003 2004	Hyundai Ulsan (KRS) Aker Mtw (GER)	Undisclosed buyer	23 each	2556 TEU. Geared. 2478 TEU. Geared.
CAPE NABIL	23,550	2010	Guangzhou Wenchong (CHN)	Undisclosed buyer	high 20	1740 TEU. Gearless. TC free 5-6/22.
CAPE NEMO	23,517	2010	Guangzhou Wenchong (CHN)	Undisclosed buyer	31	1740 TEU. Gearless. TC free 3-4/22.

BINDI IPSA	23,425	2013	Guangzhou Wenchong (CHN)	Undisclosed buyer	35	1740 TEU. Geared.
SONGA COUGAR	13,690	2008	Jiangsu Jinling (CHN)	Undisclosed buyer	reg 21	1118 TEU. Geared.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
GENERAL CARGO / MULTI-PURPOSE						
Schoeller Holdings	MPP Heavy-Lift	32,000 dwt x 2	Huangpu Wenchong (CHN)	2025		2000 TEU. Declared options.
TANKERS						
Furetank	Prod/Chems	18,000 dwt x 1+2	China Merchants Jinling (CHN)	2024		LNG/LBG dual fuel. Hybrid battery + shore power.
CONTAINERS / RO-RO / REEFER / PCC						
MSC	Containership	16,000 TEU x 6	Dalian (CHN)	2024-2025	185	LNG dual fuel. Ammonia ready.
Zodiac Group	Containership	15,600 TEU x 6	DSME (KRS)	2025		LNG dual fuel.
CLdN	RoRo	8,000 LM x 2	Hyundai Mipo (KRS)	2025		Twin dual fuel LNG / elec engines.
Capital Maritime	Containership	7,100 TEU x 4+2	Dalian (CHN)	2024	sub 80	Tier III. Multi-fuel, AMP. 250m LOA.
Euroseas	Containership	2,800 TEU x 2	Hyundai Mipo (KRS)	2023-2024	42.5	
Loctek Ergonomic	Containership	1,800 TEU x 1	Huanghai (CHN)	2023	32.6	

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
TANKER						
CHEMTRANS RIGA	2001 / China	34,810	8,917	as-is Singapore	620	plus payment for Bunkers & Lubs

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	625/650	610/630	600/620	345/355
Dry Cargo/Bulk/Tween/Gen Cargo	610/625	600/610	590/600	335/345

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old

Tankers			
VLCC	114	72.5	49
SUEZMAX	76	48.5	32
AFRAMAX	60	43.25	28.5
MR	40	31	21
Bulkers			
CAPE SIZE	60.5^	41	32
KAMSARMAX / PANAMAX	35^	34k	24.5k / 22p
ULTRAMAX / SUPRAMAX	33^	30.5u	21s
HANDYSIZE	29.5^	26	18

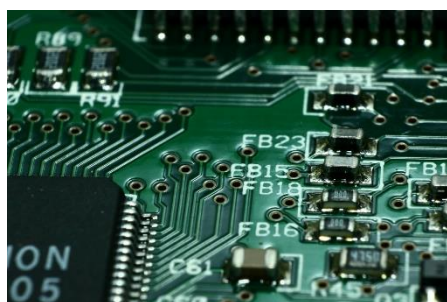
^=Chinese price (otherwise based upon Japanese / Korean country of build)

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.

Autonomous Docking Set to Revolutionise Shipping



Autonomous docking and positioning for ships is set to revolutionise the maritime industry's future after over a decade of research and development from Australian firm, Marine Autonomous Intelligent Docking (**MAID**).

MAID technology will reduce the time it takes to dock a vessel by using sensors and closed loop controls to enable fully autonomous docking and positioning. The technology will have a multitude of uses for various maritime sectors, including the commercial and passenger sectors.

The most innovative breakthrough is MAID technology's ability to compensate for external variables, such as water currents and wind, which affect a vessel's motion. Combining dynamic obstacle handling and object recognition, the technology can stop or reroute a vessel's path, as is required, to carry on a collision-free approach to a given vessel's docking position. It is envisaged that this will reduce the time it takes to dock a vessel, reducing fuel consumption and lower labour costs.

A vessel's speed will be reduced on approach to a dock, with the target location being pre-determined and assessed to see whether the docking area is large enough to accommodate the vessel. Vessel-to-vessel positions can also be assessed.

As the maritime industry continues to look for ways to become more efficient, the MAID technology may be the first in a long list to come up with an innovative solution.

Launching of the Voltaire: 'World's Tallest' Jack-Up Vessel



Infrastructure servicing company, Jan de Nul, launched the newest vessel in its fleet this week. The Voltaire, built at the COSCO Shipping Shipyard in Nantong, China, has been designed as a state-of-the-art service vessel to transport, lift and install offshore wind turbines, transition pieces and foundations. The vessel will also have the capacity to play a role in the decommissioning of offshore structures previously used in the oil and gas industry.

Fitted with four giant legs measuring 130 metres, the vessel is capable of jacking up to stable working conditions in waters as deep as 80 metres, and with an elevated load of 16,000 tonnes. These figures are currently unmatched in the industry. According to Van de Nul, the Voltaire's main crane has a lifting capacity of over 3,000 tonnes which will enable her to lift the +15MW turbines currently in use in offshore wind farms as well as the 20MW turbines expected to be in use by the end of the decade.

The Voltaire is due to be delivered in the second half of 2022. She will then begin her first assignment which was awarded to Jan de Nul in 2020, as the vessel was being built. This involves mobilization to the United Kingdom, where she will be involved in all three phases of the installation of Dogger Bank Wind Farm, which at 3.6GW will be the largest offshore wind farm in the world and will generate enough energy to power 6 million homes a year.

The Voltaire also boasts some of the most up-to-date green technologies in the industry. Capable of running on second-generation biodiesel, her fuel carbon footprint will be reduced by up to 90% when these fuels are in use. She is also equipped with an extremely advanced dual exhaust filter which will remove up to 99% of nanoparticles from emissions. This technology utilizes a diesel particulate filter and a selective catalytic reduction system to filter emissions in accordance with EU Stage V regulations.

DNV-led Consortium Awarded Ammonia Bunker Safety Study by GCMD



A DNV-led consortium involving Surbana Jurong and the Singapore Maritime Academy (**SMA**) has been awarded the ammonia bunker safety study by the Global Centre for Maritime Decarbonisation (**GCMD**). The study is a precursor to the demonstration of ammonia bunkering in Singapore and has the objective to establish safety guidelines and operational envelopes which will set the basis of a regulatory sandbox for trials at two local bunkering sites.

The handling of ammonia is said to require more rigorous safety and operational guidelines as compared to the transportation of ammonia as a commodity. Hence, the study will build on to existing guidelines that have been developed for the safe handling of ammonia so that these can be applied to ammonia as bunker fuel. The added safety and operational guidelines are required due to the 'higher transfer frequency' and the need for more flexible transfer configurations.

Professor Lynn Loo, CEO of GCMD explained the reason for the GCMD's interest in ammonia. She said, "GCMD has chosen to look at ammonia bunkering as its first project because ammonia is among the most energy-efficient green fuel to be produced." Nonetheless, she mentions that as with any new

bunker fuel, there will be safety and operational challenges associated with their application and that is why the study to define the same for ammonia bunkering will be critical for its eventual adoption.

As to why Singapore was chosen for the study, the Professor stated that, *"We have chosen to commission this study in Singapore; with Singapore being a population dense island nation and a major bunkering hub, the stringent guidelines developed in this study will likely be extensible to ports elsewhere."*

DNV, the entity leading the consortium also stated the gap present in the safe handling of ammonia which will need to be, *"...closed, given the threat it poses to seafarers and ships unless properly managed."* DNV hopes that the partnership with Surbana Jurong and the SMA will set in stone the foundations for a robust ammonia bunkering safety guideline with industry-wide applicability. As reported, Surbana Jurong's experience of the local landscape will be important for site identification for ammonia bunkering. In addition, SMA will co-develop a workforce curriculum which will provide manpower development in the handling of ammonia as bunker fuel.

Twenty-one other industry partners including shipyards and bunker suppliers have also agreed to share confidential technical information with the consortium so that recommendations can be made to regulators. Various other companies across the supply chain have also registered to provide input on the study recommendations.

At the end of the study, founding partner of the GCMD, the Maritime and Port Authority of Singapore will take into account the findings of the study to facilitate the establishment of a regulatory sandbox for future trials. Dr Sanjay C Kuttan, CTO of GCMD states that the study has received overwhelming support from the industry which is testament to the importance of the same. He also reiterates GCMD's commitment to *"navigate the challenges of maritime decarbonisation."*

The study will commence in February 2022 and is forecast to take 10-12 months to complete.

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