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In this issue:

Gibson Sale & Purchase Market Report

Dry Cargo – High and Dry | Recycling – Strong Steel | Tankers – Aframax Attraction | Sale & Purchase Market Report

CJC Market News

Legal Update: Nautical Challenge Ltd v Evergreen Marine (UK) Ltd [2022] EWHC 206 (Admlty) | Consortium to use Unmanned Aircraft for Shore-to-Ship Parcel Deliveries | Concerns that EU Proposals Permit Shipping Industry's Continued Reliance on Fossil Fuels

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 – High and Dry

Dry S&P volumes have held up well throughout the start of this year, with the recent upswing in rates clearly encouraging buyers to move ahead with any plans they may have to grow their fleets. Handies and supras/ultras continue to dominate sales lists, with the most activity registering for ships in the prime 5-10 year second-hand age bracket. The main constraint for the time being appears to be a lack sales candidates, particularly modern Japanese tonnage for sale for prompt delivery. As a case in point, rumours have surfaced that no fewer than twenty buyers have registered interest to bid for the **"ULTRA EXCELLENCE"** (64,000 dwt/blt 2016 Tadotsu). While the actual number of offers is unlikely to be that high when the time comes, it does offer a good gauge of buying interest in mid-size bulkers.

RECYCLING – Strong Steel

Same story, different week in the Recycling markets as lack of tonnage continues to keep the prices up. Steel markets in Alang softened this week however with no real ships available has had very little impact on cash buyers. Bangladesh is still leading the race offering levels in range of US\$655-665/LT trying to encourage owners to sell for recycling. Levels seen from Pakistan are not much behind Chittagong and keeping a healthy balance for ships coming from especially the West. We are hearing of a very rare sale of a VLGC this week with Bull reportedly scrapped the VLGC **"GAS KOMODO"** privately after only passing her surveys last year.

TANKERS – Aframax Attraction

With non-scrubber fitted VLCCs bleeding cash with negative fixtures this week there's little current enticement for top end dwt deals. Of the small selection of sales, it's aframaxes (and their coated LR2 counterpart) that are seeing the mainstay of activity in the teenage age bracket. Westport Tankers has struck again with the purchase of another fifteen-year-old afra, namely the **"BERGITTA"**

(105,827 dwt/blt 2007 Tsuneishi, Japan) for a price of US\$16.5m, broadly in line (when accounting for size difference) with last week's acquisition of "**TAURUS SUN**" (115,577 dwt/blt 2007 Sasebo, Japan) at US\$17.3m. Trading clean, the year younger coated "**PHOENIX HOPE**" (105,585 dwt/blt 2008 Hyundai, S.Korea) has also been sold for US\$18.25m to Chemnav, as well the older clean trading "**ZANTORO**" (109,647 dwt/blt Dalian No.2, China) has gone to unknown interests for US\$13m; the price comparably less for Chinese build and Special Survey and BWTS due next month.

In the MR arena, MOL has now sold the "**JUPITER EXPRESS**" (45,950 dwt/blt 2012 Shin Kurushima, Japan) for a price reported to be near US\$18.5m, providing a useful 10 year old pump-room tanker price marker, following another recent pump-room sale of two year older "**PRIME EXPRESS**" (45,996 dwt/blt 2010 Shin Kurushima, Japan) at the end of January for US\$16.4m. Meanwhile, MOL is reported to be swiftly reinvesting the proceeds back into MR newbuildings with a niche purchase of an Arc 7 ice class tanker, although the undoubtedly very high price has not been disclosed. very high price has not been disclosed.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
BAOSTEEL EXPEDITION	203,198	2007	Universal Ariake (JPN)	Greek buyer	19.5	Ore carrier. DD due 12/23.
SEAGULL WIND	82,908	2013	Sanoyas (JPN)	Sterling Shipping	27	DD due 10/23. BWTS fitted. Just delivered.
GRAVITY	56,546	2014	Jiangsu Hantong (CHN)	Pacific Glory	16.88	DD due 2/22.
BUMBLEBEE	55,628	2011	Mitsui (JPN)	Lebanese buyer	20.4	SS psd 10/21. BWTS fitted.
POLA ANISIA	46,412	2006	Oshima Zosen (JPN)	Undisclosed buyer	reg 14 / 13.2	Box hold. SS psd 3/21. BWTS fitted.
GLORIEUSE	38,338	2012	Naikai Innoshima (JPN)	Costamare	20.3	SS due 9/22.
SEA ANGEL + SEA BREEZE	37,900	both 2016	AVIC Weihai (CHN)	Tomini Shipping	reg/xs 23 each	Eco. SS psd 5+12/21. BWTS fitted.
MAJESTY	34,376	2011	Dae Sun (KRS)	Loadline	15.5	SS due 3/22.
TANKERS						
ZANTORO	109,647	2006	Dalian No. 2 (CHN)	Undisclosed buyer	13	Coated. SS+BWTS due 3/22.
BERGITTA	105,827	2007	Tsuneishi (JPN)	Westport Capital/Tankers	16.5	SS due 10/22.
PHOENIX HOPE	105,585	2008	Hyundai Ulsan (KRS)	Chemnav	18.25	Coated. SS due 9/23.
JUPITER EXPRESS	45,950	2012	Shin Kurushima (JPN)	UK buyer	18.5	Pumproom. SS psd 5/21.
NORD SNOW QUEEN	38,289	2008	Guangzhou (CHN)	Greek buyer	9.5	SS+BWTS due 8/23.

GENERAL CARGO / MULTI-PURPOSE						
CS FUTURE	34,038	2010	Nantong Yahua (CHN)	Undisclosed buyer	17	974 TEU. DD due 3/23. BWTS fitted. Dely Med.
CONTAINERS / RO-RO / REEFER / PCC						
NAVIOS UNITE + NAVIOS UTMOST	101,500	both 2006	Hyundai Ulsan (KRS)	Undisclosed buyer	110 each	8208 TEU. Gearless. Dely 2h22.
ELIZABETH CINDY	46,000 34,884	2003 2004	Daewoo Mangalia (RUM) H D W (GER)	Undisclosed buyer	10.53 10.97	2496 TEU. Geared. Inc. low TC. 2490 TEU. Geared. Inc. low TC.
CAPE MAGNUS	37,852	2008	Aker Mtw (GER)	Wan hai Lines	53	2742 TEU. Gearless. Already on TC to Wan Hai Lines.
4 x YANGFAN HULLS	23,750	all 2022	Yangfan (CHN)	CMA CGM	44.5 each	1868 TEU. Gearless. Bangkokmax
JIANGSU YANGZI XINFU YZJ2015-2073 +'2074	21,000	both 2022	Jiangsu Yangzi Xinfu (CHN)	Wan Hai Lines	43 each	1781 TEU. Bangkokmax
HOOGE	17,650	2006	Shandong Weihai (CHN)	Carmel Shipping	23.6	1304 TEU. Geared. Ice 1A.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
TANKERS						
Mitsui OSK Lines (MOL)	MR	50,000 dwt x 1	GSI Nansha (CHN)	2024		Ice Arc7.
CONTAINERS / RO-RO / REEFER / PCC						
SFL Corp	Containership	7,000 TEU x 4	Qingdao Beihai (CHN)	2024-2025	81-82	LOI.
China United Lines (CU Lines)	Containership	1,930 TEU +2	Huangpu Wenchong (CHN)	2023		Declared options. Tier III. EEDI3. Shore power capability.
GAS (LNG/LPG/LAG/CO2)						
Bono Energy	LNG	174,000 cbm x 2	Hyundai Samho (KRS)	2025	222.9	Against TC to NNPC.

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
FPSO						
RAO	1981/Japan		21,776	Alang		
VLGC						
GAS KOMODO	1991/Japan		18,848			Sold at undisclosed price/terms

TANKER					
KAPETAN CAROQ	2006/China		20,015		Sold at undisclosed price/terms

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	640/665	630/650	610/630	345/355
Dry Cargo/Bulk/Tween/Gen Cargo	630/640	620/630	600/610	335/345

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old
Tankers			
VLCC	114	72	49
SUEZMAX	76	48.5	32
AFRAMAX	60	44	28.5
MR	40	31	21
Bulkers			
CAPE SIZE	60.5^	47eco	32
KAMSARMAX / PANAMAX	35^	34k	24.5k / 22p
ULTRAMAX / SUPRAMAX	33^	30.5u	21s
HANDYSIZE	29.5^	26	18

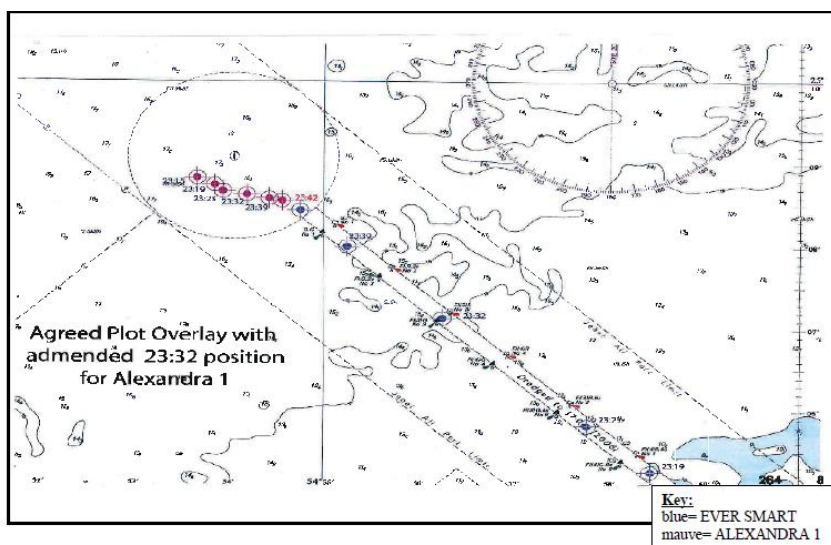
^=Chinese price (otherwise based upon Japanese / Korean country of build)

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.

Nautical Challenge Ltd v Evergreen Marine (UK) Ltd [2022] EWHC 206 (Admlty)



On 8 February 2022, Sir Nigel Tear sitting as Judge of the High Court handed down his second decision on the collision between the VLCC *ALEXANDRA 1* and the C/V *EVER SMART* following the Supreme Court's ruling to the effect that it would be appropriate for him to re-determine all matters of apportionment of liability.

In his first decision, Sir Nigel Teare sitting as Admiralty Judge held that Rule 15 of the International

Regulations for Preventing Collisions at Sea ("COLREGS") dealing with a crossing situation between two ships at sea did not apply. Therefore, he apportioned liability for the collision 80/20 in favour of *ALEXANDRA 1*. The Owners of the *EVER SMART* appealed but the Court of Appeal unanimously upheld the Admiralty Judge's decision. However, the Supreme Court allowed the appeal of the Owners of the *EVER SMART* and ultimately held that Rule 15 (Crossing rule) applied.

Factual Background

On 11 February 2015 *ALEXANDRA 1* was inbound to Jebel Ali and, on the instruction of the Port Control, proceeding to buoys no.1 in order to take pilot. The pilot onboard the outgoing *EVER SMART* would disembark once the vessel was clear of the narrow channel and would then board *ALEXANDRA 1*. At C-27, the *ALEXANDRA 1* was within the pilot boarding area and close to buoys no.1, and at C-24 her engines were stopped. At C-14, the Master of *ALEXANDRA 1* overheard a radio conversation which he mistakenly believed to be between *EVER SMART* and the Port Control. As a result, he thought, mistakenly, that *EVER SMART* was to turn to port at the end of the narrow channel.

At C-4 *ALEXANDRA 1*'s engines were put to slow ahead, at which point the vessel would have turned to starboard towards the channel, but did not do due to her Master's misunderstanding of *EVER SMART*'s intentions. Instead, she continued to head across the approaches to the channel very slowly. The *EVER SMART*'s speed was progressively reduced in preparation for dropping her pilot. *EVER SMART* was slightly to port of mid-channel and her speed at C-9 was 12.2 knots over the ground (and falling). Before leaving the bridge, the pilot advised the Master that there was a vessel to port and that he should take care. By C-6, the pilot had disembarked and was proceeding towards *ALEXANDRA 1*.

The *EVER SMART* never regained the starboard side of the channel. Shortly after the pilot left the bridge, the Master of *EVER SMART* did not keep *ALEXANDRA 1* under observation. It is likely that he assumed that the vessels would pass safely port to port. A good visual or radar lookout would have revealed that his assumption was mistaken. At C-1, the speed of *EVER SMART* was 11.8 knots over the ground. Then, at C-0.5, both Port Control and the pilot advised *EVER SMART* to go hard starboard. Her helm was put hard starboard but it was too late. At collision the speed of *EVER SMART* was 12.4 knots. The port bow of the *EVER SMART* struck the starboard of *ALEXANDRA 1*.

The Relevant Collision Rules

The setting of the two vessels was such that if Rule 15 (Crossing rule) was applicable, then *ALEXANDRA 1* would be the give-way vessel and should have kept out of the way of *EVER SMART*. According to

Rule 16 (Action by give-way vessel), *ALEXANDRA 1* should have manoeuvred in ample time in order to prevent the development of a close situation which involves a risk of collision. It would also follow that *EVER SMART* would be the stand-on vessel and, according to Rule 17 (Action by stand-on vessel), she should have kept her course and speed and she should take such action as would be best to avoid collision if she had found herself so close that collision could be avoided by the action of the *ALEXANDER 1*.

Rule 2 (Good seamanship) was held relevant by the Admiralty Court and the Court of Appeal. Indeed, the Admiralty Judge and the Court of Appeal were of the view that the navigation of *ALEXANDRA 1* was governed by Rule 2 (Good Seamanship) and that the navigation of *EVER SMART* was governed by Rule 9 (Narrow Channel rule). On that basis, and having analysed the causative potency of the faults of each vessel, the Admiralty Judge apportioned liability for the collision 80/20 in favour of *ALEXANDRA 1*.

However, the Supreme Court, answering two questions of construction of the COLREGS put before them, held that the navigation of *ALEXANDRA 1* was governed by the Rule 15 (Crossing rule) and that the navigation of *EVER SMART* was governed by both Rule 15 (Crossing rule) and Rule 9 (Narrow Channel rule). Therefore, the case was remitted to Sir Nigel Teare for him to re-apportion the liability of the two vessels in the light of the Supreme Court's above finding.

The Faults of each Vessel and Re-Appportionment of Liability

As the Supreme Court held that a vessel waiting to pick up a pilot would be subject to Rule 15 (Crossing rule) if she was nevertheless moving so as to involve risk of collision, that was found by Sir Nigel Teare to be the main fault of the *ALEXANDRA 1*. However, the Judge found certain mitigating factors: (i) her failure to take early and substantial action was mitigated by the fact that she had been requested by Port Control to proceed to buoys no.1; and (ii) she was waiting to take pilot and her Master knew that her pilot was on his way to his vessel. The second fault of *ALEXANDER 1* was her Master's error in his aural lookout which led to his failure to alter course to starboard at C-5 or C-4. However, the Judge found also for this fault a mitigating factor: the fact that *EVER SMART* was continuing at speed on the port side of the channel is likely to have reinforced the misunderstanding of the Master of *ALEXANDRA 1*.

The *EVER SMART* was in breach of Rule 9 (Narrow Channel rule) in that she failed to keep to the starboard side of the narrow channel and no excuse or mitigating factor was found for such failure. She also failed to keep a lookout, in breach of Rule 5 (Lookout), and so was unaware of the need to return promptly to the starboard side of the channel in view of the presence of *ALEXANDER 1* in the pilot boarding area. Again, the Judge held there was no mitigating factor for this failure. Also, he found that the speed of *EVER SMART* (at 12.4 knots and increasing) at collision was likely to have made a far greater contribution to the damage caused by the collision than the speed of *ALEXANDRA 1* (at 1.4 knots).

The Judge concluded that whilst the *ALEXANDRA 1* as the give-way vessel was in breach of Rule 15 (Crossing rule), the present case was one where *EVER SMART*, as the stand-on vessel, was not just in breach of Rule 17(a)(ii) or (b) but was in breach of Rule 9 (Narrow Channel rule) from C-10 for reasons unconnected with the give-way vessel's fault. She also failed to keep any lookout at all from C-6. That was also unconnected with the give-way vessel's fault. It resulted in "*EVER SMART*" failing to regain the starboard side of the channel in continued breach of Rule 9 (Narrow Channel rule). It also resulted in her proceeding at an unsafe speed.

On the above basis, he considered that there was "*a clear preponderance of fault on the part of EVER SMART, notwithstanding that ALEXANDRA 1 was the give-way vessel under the crossing rule.*" He, therefore, decided that *EVER SMART* should bear 70% of the damage caused by the collision and that *ALEXANDRA 1* should bear 30% of the damage caused by the collision. That reflected a 10% shift of

the apportionment in favour of the *EVER SMART* compared to the 80/20 apportionment in the first ruling of Sir Nigel Teare.

Consortium to use Unmanned Aircraft for Shore-to-Ship Parcel Deliveries



ST Engineering (ST), Sumitomo Corporation and Skyports will be forming a consortium to provide Unmanned Aircraft (UA) services for shore-to-ship parcel delivery in Singapore. The consortium will be operating a nine-month pilot programme which will see it engaging with key customers for UA services. It is stated that the objective is to form a deliver network which can take on parcel payloads up to 10 kilograms. The deliveries are stated to delivery maritime essentials to vessels at anchorage.

The consortium reports that UA services will significantly reduce response time and speed up the turnaround for shore-to-ship deliveries compared to the traditional form of delivery by launch boats. Utilising UA services is also expected to reduce carbon emissions and contribute to the industry's efforts to operate sustainably.

The three partners are expected to utilise their operational and technological capacities which will expand the use of such services. For instance, ST will provide the UA technology by using its end-to-end solution, DroNet, which is a drone-agnostic operating platform capable of integrating autonomous and multi-function Unmanned Aircraft System networks. Skyports will be conducting the Beyond Visual Line of Sight (BVLOS) flight operations together with ST, and Sumitomo Corporation will provide go-to-market support, including their own fleet of vessels.

ST reports that it is not new to this field and have been testing and developing autonomous solutions with regulators and industry partners. As reported, the company recently completed the initial development of a UA system for shore-to-ship parcel delivery which is based on its DroNet solution. Additionally, ST has also collaborated with Wilhelmsen Ships Service which helped boost the commercialisation and operational aspects of their systems during solution development.

Teong Soo Soon, Vice-President and Head of UA Systems at ST stated that UA systems have evolved in recent years and have emerged as safe and robust alternatives to the traditional labour and time-intensive missions. To this end, he mentions that ST are excited to partner with Sumitomo Corporation and Skyports to launch the pilot programme after two years of R&D efforts to develop the solution. He added that they [ST], "...look forward to being a strong enabler for customers which wish to leverage unmanned technology to inject higher efficiency and sustainability into their operations." Sumitomo Corporation and Skyports echoed similar sentiments, reiterating the excitement of the trio's involvement in the pilot.

ST will be showcasing their UA systems at the Singapore Airshow 2022 which will take place from 15 – 18 February 2022.

Concerns that EU Proposals Permit Shipping Industry's Continued Reliance on Fossil Fuels



According to a study carried out by Transport & Environment (T&E) EU sustainability targets will have the effect of encouraging an uptake of LNG. Concerns have been raised that these new EU regulations, which were supposed to have the effect of driving out fossil fuels for greener alternatives, have instead cemented the widespread use of fossil fuels in upcoming decades.

By permitting the use of fossil LNG-powered ships, which provide a far cheaper alternative to green substitutes, these new regulations would allow vessel owners to continue to rely on fossil fuels. As the FuelEU Maritime proposals give the green light for the use of LNG well into the 2040s, it is expected that this will drive almost 25% of all vessels to be LNG powered by 2030.

The EU Commission proposal, as it currently stands, provides ships with little incentive to switch to hydrogen based 'e-fuels', as there is currently no mandate to do so contained within. As a result, the EU has been criticised with sustainable shipping officer at T&E, Delphine Gozillion, opining "*the shipping industry is one of the world's biggest polluters and is heavily reliant on fossil fuels. The old narrative of gas as transitional fuel just doesn't hold. We cannot afford to shift from one fossil fuel to another. It will not get us to zero emissions by 2050 and, by putting more methane into the atmosphere may even fry the planet faster.*"

In the preceding year, new shipbuilding orders for LNG-fuelled ships at DNV hit the 240 mark, more than the previous four years combined. This is a clear illustration of the trajectory on which the maritime sector is moving.

The FuelEU Maritime initiative is currently being discussed within the European Parliament and is expected to be finalised later this year. Calls have been made to amend the proposal.

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