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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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Tankers – Aframax Appetite

A modern VLCC has changed hands and interestingly the levels look below last done. The scrubber fitted "**C. GUARDIAN**" (300,300 dwt/blt 2019 DSME) has been sold between SK Shipping and HMM in Korea, for US\$98m. It was only a few weeks back there were reports of a 2020-built VLCC changing hands for US\$108m, so why the discounted price, could the domesticity of the deal be the reason?

Otherwise aframaxes steal the show. The most impressive being the ice classed "**IMPERIA**" (114,849 dwt/blt 2006 Samsung) which has gone for a strong US\$31.5m, but with SS/DD recently passed. She was bought by current owners for US\$14m in November 2020; so double your money! This aframax pricing is matching the suezmax tonnage of the same vintage. The "**ZHEN I**" (105,588 dwt/blt 2002 DSME) has sold for mid-high 17s with surveys due shortly and this is not far away from the US\$18m paid this week for the one-year younger suezmax "**AKSTA**" (159,438 dwt/blt 2003 Hyundai Samho).

Dry Cargo – Drought in Dry

As the UK faces hose pipe bans across the country, following the persistent summer dry spell it appears the dry cargo sale and purchase market is in a similar situation with buyers keeping their aquifers full for the time being until some direction can be found. Certainly there does seem to a reluctance from buyers as illustrated by the fact that apparently the panamax bulker "**ES SAKURA**" (76,596 dwt/blt 2007 Imabari, Japan) invited offers yesterday but has not received any firm interest. Following on it will be interesting to hear what interest is garnered for the Korean controlled panamax "**DOOYANG JEFU**" (76,634 dwt/blt 2002 Imabari, Japan) which is inviting offers today. Many market players will be anxious to see some new benchmarks set to reflect the current environment.

Otherwise, it was intriguing to see a division of COSCO putting nine supramaxes on the market in one go, some may say they might have missed the boat and others that it might have been more prudent to drip feed the market instead.

Recycling – Demo Inertia

The lack of tonnage has kept the cash buyers and end breakers in the hunt! Steel markets in India are stable with a healthy demand for steel scrap and many of the local steel mills/factories have now started exploring alternate means of securing scrap due to the lack of supply of ships, with most of them encouraged to import containerized steel scrap. Markets in Pakistan are also holding up for now despite the weakening of their currency. However, breakers are not facing trouble for the opening of their Letter of Credits as they are in Bangladesh.

Chittagong is out of the recycling scene at the moment and should remain so for at least another month or so. Smaller ships are still possible to work for delivery Bangladesh, but it is an absolute no-go for ships larger than 5000 LDT. The number of ships scrapped so far this year is even lower than in 2008, which was one of the lowest scrapping years of recent times.

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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.

Indian Ocean High Risk Area to be Removed



The shipping industry is to remove the Indian Ocean High Risk Area (HRA) following almost ten years of counter-piracy operations. This, after the IMO was presented with a notification to remove the HRA from 0001 on 1 January 2023.

Following extensive counter-piracy efforts by regional and international stakeholders, no piracy attacks have occurred off Somalia, against merchant ships, since 2018.

In order to give shipowners and operators time to adapt, the removal of the HRA will not come into effect until 0001 hours on 1 January next year. The Voluntary Reporting Area (VRA) status will not change.

The removal of the HRA status comes after years of concerted efforts by military, political, and industry bodies to reduce the threat of piracy in the area. Piracy levels around the world were at their lowest for almost 30 years for the first half of this year. The Gulf of Guinea and the Singapore Straits were the two areas with the highest amount of attacks, with Somalia barely mentioned.

Best Management Practices 5 will continue to provide guidance, ensuring that risk assessments are developed for every voyage to mitigate against the risks that still exists in the area. The latest maritime security information provided by organisations supporting the VRA should always be considered.

Indeed, the sponsors of the HRA submission to the IMO commented that, "*Threat and risk assessments should still be carried out, and best management practices followed to continue to mitigate the risks presented in a changeable and often complex and potentially threatening environment.*"

Panama Canal Calls upon Ships to Protect Marine Life

The Panama Canal is asking all vessels to follow an annual speed limit and a seasonal traffic lane as per the recommendations from the International Maritime Organization (IMO) to prevent accidents with whales, dolphins, and other large aquatic mammals during their seasonal migration. The IMO asks vessels sailing to and from the Panama Canal to follow the relevant Traffic Separation Schemes (TSS), which set out routes for vessels to navigate through to minimize overlap between marine life and vessels. The Panama Canal also asks the vessels travelling through areas on the pacific side of the canal to operate at a speed of no more than 10 knots.



According to the Smithsonian Tropical Research Institute (STRI) ship collisions are one of the most concerning human threats to whale populations. An STRI study showed that a fatal accident between whales and vessels were 38% lower between 2017-2019 compared to 2009-2011, a period before the TSS were introduced. The STRI study also showed that the TSS increased maritime safety, amongst other things. Further, a study done by the Panama Canal found that the IMO recommendations lowered vessels' GHG and pollutant gas emissions by an average of 75%. Since the IMO recommendations the

Panama Canal has reduced over 850 million tons of CO₂.

"These measures show that a small change can mean a huge difference when our industry works together to prioritize sustainability" said Panama Canal Administrator Ricaurte Vásquez Morales.

CorPower Ocean's Wave Energy Converter Finishes Dry Testing



An exciting development in the renewable energy sector this week as CorPower Ocean's C4 Wave Energy Converter has completed dry testing and has entered the project demonstration phase. The commercial scale wave energy converter completed a year of rigorous on land testing, which culminated in a final 'ironman endurance exercise'.

Dry testing took place at a purpose-built facility at CorPower's headquarters in Stockholm, Sweden. The facility is the world's largest dry-test site for Wave Energy Converters. Throughout the year, the C4 device was put through simulated wave loading tests designed to replicate conditions experienced at several real-world locations. Jean-Michel Chauvet, Director of Integration and Test at CorPower, said the device was put through its paces at levels beyond what it would experience in the field and proved its durability and ability to operate in challenging conditions. The final 'ironman' phase of testing involved continuous

operation under a full range of storm loading, designed to put the C4's unique 'survival mode' to the test. 'Survival mode' was developed for robust operation in the harshest ocean conditions involving cyclic loads up to 4MN (400 tonnes).

"The final Ironman test brings to a close a significant chapter in the development of the CorPower C4 – our first commercial scale Wave Energy Converter," said Mr Chauvet. "This has been an intense one-year process to systematically test our technology. Over this period, we have taken a staged and methodical approach to debug, stabilize and fine-tune the C4 device to provide full confidence in the technology ahead of ocean deployment."

The project demonstration phase has now begun, with the unit being transported to northern Portugal where it will receive a composite hull and mooring components before its sea deployment at the nearby Agucadoura site. Mr Chauvet stated the project *"will lay the foundations for one of the world's first grid connected wave energy arrays, in turn helping demonstrate wave energy's potential to bring greater stability to the global energy system and provide a future powered entirely by renewables"*.

Three Additional Berths to Open at Singapore's Tuas Mega Port



As reported in a press release by the Singapore Ministry of Transport (MOT), three more berths at Tuas Mega Port will commence operations by December 2022. The announcement was made in conjunction with the Prime Minister's National Day Rally where an update was provided on the development of the new port.

The MOT stated that this will complement the two berths that was opened last year in December 2021 as part of Phase 1 of the construction.

In total, the development of Tuas Mega Port will be conducted in four phases. It is due to be completed sometime in the 2040s and when it is fully operational, will have a handling capacity of 65 million twenty-foot equivalent units (TEUs), which is reportedly double the volume of 37.5 million TEUs Singapore handled in 2021.

The Mega Port will have a total of 66 berths and is expected to form a, *"strong value proposition and ensure Maritime Singapore remains trusted, resilient, and ready for the future."*

At the moment, construction is at the Phase 2 stage which involves, amongst other things, reclamation works and caisson fabrications (the latter reportedly completed in April 2022). The reclamation works will involve the deepening of seabeds which will allow the port to cater to more massive vessels of the future.

The MOT also has sizeable plans for Tuas Port to be adopt automated and intelligent technology. To this end, the port operator will employ, amongst others, electrified automated yard cranes and automated guided vehicles (AGVs) which will transport containers between yard and wharf. It also aims for the port to achieve net zero emissions by 2050. Automation is said to assist in the reduction of greenhouse gases as AGVs have the potential to reduce carbon emissions by about 50% when compared to diesel prime movers.

The entire port will occupy about 1,337ha of land (around 3,300 football fields) and will replace operations at the current Tanjong Pagar, Keppel, Pasir Panjang and Brani Terminals.

The press release can be read [here](#).

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