

## D'Amico bullish on product tankers amid lower loss

*Italian product tanker owner d'Amico International Shipping is bullish about the sector as it narrowed its losses in the third quarter. The company is anticipating higher rates into the new year based on demand growth of about 6% combined with low fleet growth*

13 Nov 2019 | **NEWS**

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The company reported that cost efficiencies helped the bottom line



D'AMICO INTERNATIONAL SHIPPING DOES NOT EXPECT TO BE INVOLVED IN THE NEWBUILDING MARKET ANY TIME SOON.

D'AMICO International Shipping, an Italian product tanker owner, says it is bullish about the sector as it narrowed losses in the third quarter.

“We maintain a very positive outlook for the product tanker industry,” said chief executive Paolo d'Amico. “Fundamentals are very solid, with an orderbook at record low levels and a growing demand for seaborne transportation of refined products.”

In addition, the new International Maritime Organization regulations are expected to further “stimulate refining activity and demand for our vessels,” he said, adding that demand growth is seen at about 6% in 2020.

“I believe we are just at the beginning of a sustained positive market cycle,” he said.

The company has been focused on strengthening its financial structure and “this is going to be one of our continuing priorities,” the executive said.

It is expecting to deleverage the company as better market conditions will lead to increased cash flow, he told Lloyd's List.

The company also achieved cost efficiencies by moving certain functions from Ireland to Rome, where it is based, combined with a re-organisation at the management level.

It reported a net loss of \$8.1m from a loss of \$21m a year earlier, the company said in a statement.

Higher time-charter equivalents were achieved as a number of long range two tankers switched to crude trades following a lift in that market owing to attacks on Saudi Arabian oil installations and sanctions, among other reasons, according to d'Amico. That led to a reduction in supply of LR2 tankers amid increased demand for naphtha into Asia.

In recent weeks, the company has generated about \$16,000 per day for its conventional medium range tankers, and \$17,500 per day for its eco MRs.

It expects to dispose of three to four older vessels in the coming months, Mr d'Amico said, as the secondhand market values are looking attractive again.

D'Amico does not expect to be involved in the newbuilding market anytime soon, having completed its programme earlier in the year, with the arrival of its last vessel.

There are fears about what sort of future fuels technology will be developed to meet greenhouse gas emissions targets in 2030 and then 2050, he said, which is keeping owners away for the time being.