

d'Amico International Shipping: Three good years for product tanker

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Italian tanker carrier d'Amico International Shipping continued the booming developments from the first half of the year with significant growth across the board. Three good years ahead in a big and strong market, says CEO Marco Fiori.

ROME

Tanker carrier d'Amico International Shipping (DIS), part of major Italian shipping group d'Amico and listed on the stock exchange in Milan, was able to sustain the strong pace put forth in the first six months of the year and delivered significant growth across the board in the third quarter 2015.

The Italian product tanker carrier exited the quarter with a net result of USD 14.7 million against just USD 0.3 million in the third quarter 2014, while the result for the first nine months of the year came to USD 44.8 million - a big step up from a deficit of USD 5.2 million in the first nine months of 2014, according to d'Amico International Shipping's [third quarter interim report](#).

TCE rates (time charter equivalent) in the third quarter reached an average of USD 21,219 per day, compared to USD 13,867 in the same period 2014. TCE earnings for the first nine months of 2015 totaled USD 243.2 million.

[Torm considering New York IPO](#)

And the product tanker market looks sound for the next three years, CEO Marco Fiori tells ShippingWatch.

"A smaller number of ships will be delivered in 2016, and of course one has to look at refinery capacity and ton-mile developments, but overall the demand for refined products looks positive. We transport more than 300 products, so this is a difficult market to make overall projections about. But the fact that we carry so many products also gives us a lot of flexibility," says Marco Fiori.

d'Amico International Shipping is in the midst of executing a massive USD 750 million investment plan, and the carrier most recently took delivery of two eco-design newbuildings built at the Hyundai Vinashin Shipyard in Vietnam for a total price of USD 62 million. The company has ships set for delivery into 2018, but following this it will be time for a breather.



"I don't think we'll order ships for delivery in 2019 onwards this time around. Our shopping spree is over. We used a window with good prices and other advantages, but there is a time for ordering and there is a time to sit back, get organized and get ready to take advantage of the positive market," Marco Fiori tells ShippingWatch.

The competition

d'Amico International Shipping's key competitors in the sector include Danish players such as Norden, Torm and Hafnia Tankers as well as Irish Ardmore, John Fredriksen's Frontline and US-based Scorpio Tankers, which has the largest fleet of eco-design vessels in the world.

And then there is Singapore-based BW Group's expansive product tanker carrier BW Pacific, which recently brought in Torm's former head of tanker as CEO and established European headquarters in Copenhagen. But Marco Fiori is not worried about the competition.

[Norden's tanker division delivers record result](#)

"The market is very big. Could shipping use some consolidation, sure, but I think that when there is a need for consolidation, people get consolidated," he says, adding the following on BW Pacific's arrival in Europe:

"They're a very good company, and it's good to have some good companions. Are you asking me if we are too many, I think the market is big enough. It's a big sea out there."

In the interim report, Marco Fiori points to, among other things, the US' growing role as net exporter of oil products as well as the boosted refining capacity in the Middle and Far East as factors that will help drive the product tanker market and make room for the numerous players in the sectors.

The carrier has already secured coverage at attractive rates going forward, and with the massive investment plan and a growing fleet, d'Amico International Shipping expects to be ready to benefit from the booming market.

"It's time to reap the profits," says Marco Fiori.

By the end of September 2015 d'Amico International Shipping controlled a fleet of around 50 vessels consisting mainly of MR and Handysize.

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