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## D'Amico chief says product tanker market is turning a corner

*The product tanker market is showing signs of recovery, after several quarters of weak earnings, as jet fuel demand starts to pick up*

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The Italian owner, which has sold one of its oldest vessels, says next year offers better prospects as vaccine uptake rises, allowing more people to start travelling again



PAOLO D'AMICO: "WE KEEP LOOKING AT OPPORTUNITIES; WE'RE BUILDING UP SOME CASH."

ITALIAN product tanker owner D'Amico International Shipping expects a better market in 2022 as vaccine uptake increases, allowing more people to travel again.

"The overall picture is improving — we are turning the corner," said chief executive Paolo d'Amico in an interview. He noted how jet fuel demand was increasing, although still lower than pre-pandemic levels. Cargo movement from the US Gulf to South America was also on the rise.

The supply of ships this year was higher than demand, although the last two quarters have seen zero growth, due to heightened scrapping amid low market rates and high steel prices.

In the first nine months of the year, 44 medium range and long range one product tankers were scrapped, compared with 10 in 2020.

Overall, net fleet growth is estimated at 2% this year, dropping to 1% in 2022, according to Mr d'Amico.

The company reported a net loss of \$13.8m in the third quarter compared with a loss of \$1.7m in the same period last year, as the market remained challenging.

“However, thanks to our prudent commercial strategy we were able to limit to a certain extent the negative effects of the current spot market, whilst maintaining a very solid financial position,” he said.

The company announced the sale of the 2006-built MR product tanker *High Venture* (IMO: 9365817) for \$10.7m. It expects to generate net cash of about \$8m.

The company, which is looking to sell the last of its oldest vessels, has 38 double-hulled product tankers in its fleet, of which 20 are owned, 10 are chartered-in and eight are on bareboat charter.

“We keep looking at opportunities; we're building up some cash,” Mr d'Amico said.

The company has a positive longer-term outlook, with strong fundamentals on both the demand and supply side.