

Italy's d'Amico eyes lasting tanker boom with longer journeys and healthy supply

The new normal in product tanker with longer distances due to sanctions, coupled with shipping companies hesitating to order new ships, boosts optimism at d'Amico International Shipping.



Paolo d'Amico is chairman of the d'Amico Group and CEO of its tanker unit d'Amico International Shipping. | Photo: d'amico

BY DANIEL LOGAN BERG-MUNCH

“We have strong confidence in the long-term fundamentals of the product tanker industry.”

Chairman and chief executive Paolo d’Amico of the Italian tanker company d’Amico International Shipping (DIS) does not mince words in the carrier’s interim report on Thursday, where peers Torm and Scorpio also presented strong figures.

The third quarter saw continued high freight rates for tankers carrying refined oil products.

The Italian shipping company’s revenue grew to USD 98.3 million from USD 94.2 million in the same period in 2022, while net profit amounted to USD 48.9 million compared to USD 43.6 million.

The CEO particularly notes that refineries are moving further away from consumers, especially in China and Europe, and that product ships therefore have to sail longer distances with their cargoes.

At the same time, the sanctions against Russia have created a new reality for shipping companies, which also contributes to longer voyages that pull capacity out of the market and drive up freight rates.

The order book for new vessels also supports the picture of healthy demand.

Despite a recent increase in vessel orders, mainly in the LR2 segment where DIS does not operate, market participants are hesitant to invest in newbuilding vessels due to rising costs, technological uncertainties related to the implementation of stringent environmental regulations, particularly EEXI and CII, and limited availability at shipyards, which are extending delivery times beyond 2025," writes Paolo d'Amico about the prospects for the tanker fleet.

The shipping company, which is listed on the Milan Stock Exchange, pays out 20 million dollars to its shareholders in dividends for the third quarter.