

D'Amico to focus on generating profits from its expanded fleet

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- by [Hal Brown](#)

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No regrets over adding to global orderbook, but it has no plans for more newbuildings right now, says Fiori

D'AMICO International Shipping has no plans to go back to the shipyards any time soon following its ordering spree in the last couple of years, and will now focus on generating profits from its expanded fleet.

Fiori: We did what we had to do at the right moment

"We did what we had to do at the right moment," d'Amico chief executive Marco Fiori told Lloyd's List today, speaking from the company's Milan headquarters, referring to its 10 newbuildings on order.

Critics have said that newbuilding deliveries and orders are delaying the product tanker recovery, or at least dampening it.

D'Amico, which posted a slim profit today, owns 21 product tankers and has 10 on order for delivery between this year and 2016.

While Mr Fiori agrees that global orders became rather big last year, he is confident that the product tanker market has much going for it and a lot to look forward to.

"The market is slowly digesting the orderbook," he said.

Market conditions are improving and there is "lots of product to be moved around the world", he pointed out.

Maersk Tankers, now a product tanker company after selling its crude and gas interests, would agree, having today posted an \$84m third quarter profit.

"It's good that others are seeing market improvements and not just us," said Mr Fiori.

However, there are still ripples of concern among commentators that the orderbook, for medium range tankers in particular, is bloated, potentially derailing what many thought could have developed into a product tanker freight market boom.

Perhaps, though, people need to tone down their expectations from the outset – be more realistic.

Mr Fiori prefers the term "good market conditions" rather than "boom", keeping things in perspective.

In keeping with a more balanced approach to the market, he has ensured he has vessels on longer-term time charters for stability of earnings, while retaining ships on the spot market to take advantage of spot market spikes should they occur.

As part of this strategy, d'Amico increased its time charter coverage this year, securing more than 50% of the company's revenues at profitable rates in excess of \$ 14,700 per day.

At the same time it has been growing its time charter-in tonnage, which are vessels that will be put on the spot market by d'Amico.

Between August and November, it took 11 new time charter-in vessels for one-year contracts, plus extending options, all at historically low rates of around \$ 13,000 per day.

It intends to employ these time charter-in vessels mainly on the spot market and Mr Fiori expects these transactions will start delivering positive results from the next quarter.

Do more newbuildings come into the picture at any point, despite critics' reservations?

"No, no more newbuildings," he said. "We'll be running these ones we have to make them profitable."

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