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## D'Amico joins 'eco' order race

**Diversified Italian operator d'Amico has penned a \$267.6m contract to construct up to a dozen fuel-efficient bulkers in a deal that will undoubtedly turn heads.**

The company says the pact between Irish offshoot d'Amico Dry Limited and the Yangfan Group of China for six 39,500-dwt handies and an identical option at a cost of \$22.3m a piece includes "tail heavy payment terms".

In a statement d'Amico chief executive Cesare d'Amico said the handysize segment has "a great capacity for future growth" and praised the benefits of a Deltamarin design that will help reduce fuel consumption and exhaust emissions.

"Given their characteristics, the vessels have also attracted strong interest from the financial world, where financing for the project has been offered by a number of active European banks at competitive pricing compared to today's market terms," he added.

The vessels, which are expected to start hitting the water in 2014, will be built with box-shaped holds at Zhejiang Yangfan Shipbuilding and will have the option to incorporate a fully open-hatch design before construction is completed.

The revelations have already captivated industry insiders given the general reluctance to splash cash on dry-bulk assets during the downturn, stagnant orderbook, tightening lending environment and the escalation of a price war between yards in China and Japan that view eco-orders as one of the keys to survival.

**To put d'Amico's \$22.3m price tag in context, Wisdom Marine Lines reportedly paid \$27.5m a piece for three slightly larger fuel-friendly newbuildings at Japanese-owned Tsuneishi Zhoushan Shipyard in China just last month.**

**In March, China Navigation Co inked an order for up to ten Deltamarin-inspired handies at Chengxi Shipyard in China at a cost of around \$23m each.**

In a recent conference call with investors **Safe Bulker CEO Polys Hajioannou made the case for designs that advertise a daily fuel reduction of 20 tons at 14 knots before joking about "various things yards are doing to try and induce owners to order" out of desperation.**

A US sale-and-purchase broker, who last week estimated a Japanese-built newbuilding in the 40,000-dwt region would fetch around \$25 or \$26m, says Yangfan's so-called "tail heavy payment terms" are "not a surprising marketing tactic" as many Tokyo-linked competitors require as much as 70% of the purchase price early on.

Prior to today's transaction the d'Amico clan controlled 12 open-hatch bulkers in addition to approximately 100 owned and chartered-in crude tankers, containerships and product carriers.

While the parent company is based in Rome, affiliate d'Amico Tankers Limited joined the Irish tonnage tax scheme in 2007 while d'Amico Dry followed suit three years later.

Yangfan Group is controlled by privately held Chinese steel producer Beijing Jianlong Heavy Industry and banking giant Goldman Sachs. The former holds 80% of the shipbuilder's shares while the latter oversees the remainder.

By [Aaron Kelley](#) in Stamford



**Cesare d' Amico**