

Lloyd's List

'You can't be in this business if you're not an optimist'

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- by [Hal Brown](#)

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US export opportunities drive d'Amico onwards

D'AMICO International Shipping may have seen [profits slide in the second quarter](#) due to a tougher than expected market, but there are enough bright spots out there to keep spirits up, not least the opportunities offered by US exports of oil products.

Fiori: "Houston is starting to become the centre of energy again."

The rise in cargoes out of the US Gulf to markets such as South America and Europe has been "almost exponential", d'Amico chief executive Marco Fiori tells Lloyd's List, speaking from the company's Milan headquarters.

He highlights a graph put out for the company's financial results presentation, which shows quite clearly the inexorable rise of US product exports, generated by the country's extraordinary domestic oil boom.

In the year 2000, US product exports were below 1m barrels per day, rising to around 2m bpd by 2009, 3m bpd by 2013, and now settling at an impressive average of 3.4m bpd for the first half of 2014, the graph shows.

US refineries are processing more oil as the country's production creates a surplus.

Of course, there is the odd hiccup, such as the second quarter which saw longer than expected closure of several US Gulf refineries for maintenance.

Nevertheless, this is seen as a minor inconvenience, with market fundamental positives easily outweighing negatives.

"You can't be in this business if you're not an optimist," says Mr Fiori.

That optimism is directed towards the development of the US export market, as cargoes increasingly head to South America and Europe.

It's not just about gasoline and diesel either.

Oil product naphtha is expected to be in surplus, with US net exports forecast to rise by 537,000 bpd between 2012 and 2019, the company says.

Naphtha is increasingly preferred over ethane in Asia as feedstock for the petrochemical industry, and the Asian petrochemical industry accounts for as much as 42% of global naphtha demand, the company points out.

Lower costs mean the US can produce this naphtha and sell it for a higher price, generating further demand for the tankers in which cargoes are carried.

Due to this robust export activity of US, a large part of d'Amico's spot fleet is located geographically close to the US, enabling it to take full advantage of what the US offers.

"Houston is starting to become the centre of energy again," observes Mr Fiori, unable to restrain the enthusiasm in his voice.

The company's newbuilding orders are of the medium range product tanker variety, raising the question of whether it could be missing out on opportunities offered by long range product tankers.

"MRs are more flexible," says Mr Fiori, ever the optimist.

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