

Get ready for third-quarter product tanker pick-up, says Fiori

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Fiori: “All things considered, things have evolved decently.”

Last year was tough but D'Amico wasn't the only victim, says Italian product tankers chief

D'AMICO International Shipping may be down and bruised by what chief executive Marco Fiori calls “a very, very tough year”, but the Italian product tanker company is certainly not out.

[A 2016 net loss of \\$12.8m](#) from a net profit of \$54m the year before might look bad, but it must be taken in the context of how all players in the product tanker market performed.

“Our peers had losses,” Mr Fiori reminded Lloyd’s List, speaking from the company’s Rome head office. “It was a very, very tough year, especially the third quarter and part of the fourth quarter.”

A quick scan of recent results shows that Navig8 Product Tankers slid to a \$5.2m loss in 2016, while [Scorpio Tankers](#) plunged to a \$24.9m loss.

But a better January 2017, followed by a February that was “a bit off but not dramatically” and hopes for a respectable March, act as a tonic to lift the spirits.

“All things considered, things have evolved decently,” said Mr Fiori.

Steps have been taken to minimise the impact of freight market softness. The company’s short-term time charter-in fleet has been reduced, slimming its market exposure.

The company has also been getting creative through its sale-and-charter back deals, allowing it to retain its tonnage capacity while boosting its liquidity and financial flexibility.

Historically low fleet growth expected over the next two years, combined with new environmental regulations potentially cutting the global supply of vessels further, feeds into the sense of optimism for the medium term product tanker freight market.

Mr Fiori expects the third quarter of this year to bring more significant upward momentum, based on market fundamentals of supply and demand.

Set against this background, the activities of Maersk Tankers — embroiled in its transition period — are of interest, but as yet there are no plans for a d'Amico-Maersk joint venture.

However, Mr Fiori reminds Lloyd's List that in the past the two companies have been partners in a handysize tanker pool.

“Maersk Group is a very successful company, they have to find the right mix,” Mr Fiori said about the move to separate Maersk Tankers from its parent company.

“But there is nothing on the table with us.”

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