

D'Amico tumbles into the red amid tepid tankers

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Fiori: "All things considered, things have evolved decently."

But market has strong underlying fundamentals, argues ebullient boss Fiori

D'AMICO International Shipping tumbled to a net loss of \$12.8m for 2016 from net profit of \$54.5m in the boom year of 2015.

The Milan-listed company's 53-strong fleet of product tankers saw its average daily earnings fall to \$14,534 from \$17,159. This included spot and time charter earnings.

The \$12.8m net loss included a \$6.6m impairment on assets held for sale.

Chief executive Marco Fiori said the negative result was due to the soft market experienced in the second half of the year, when rates hit historically low levels.

The substantial level of inventories, together with a relatively high influx of newbuildings coming into the market in 2016, put downward pressure on freight rates, he said.

However, Mr Fiori maintained a positive view on the product tanker market in the medium term. "I am a strong believer that our industry has very strong underlying fundamentals, which will benefit us in the years to come," he said.

On the demand side, a good level of growth was expected on the back of the trend of refineries moving away from main consuming regions, which would increase tonne-mile demand, said Mr Fiori.

On the supply side, historically low fleet growth was expected over the next two years, with the current orderbook of medium range tankers close to its 20-year low and very limited ordering activity at the moment.

In addition, [new environmental rules](#), which were gradually coming in place, would lead to a further reduction on the supply side, benefiting owners of young fleets, Mr Fiori argued.

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