

Italian tanker carrier is optimistic about the future

BY NIKLAS KRIGSLUND Published 05.05.17 at 15:18

Things are now headed in the right direction in the product tanker market after a rough end to 2016. CEO of Italian tanker carrier d'Amico International Shipping has a positive outlook for the future in the wake of a first quarter profit, he tells ShippingWatch.

Italian tanker carrier d'Amico International Shipping is optimistic about the future after a better than expected first quarter.

The bottom line declined, compared to last year's corresponding quarter when product tanker rates were higher, but it was not nearly as bad as many had feared, says CEO Marco Fiori.

"We don't think that 2017 will be a great year but it will be decent and much better than expected. Many people thought that the first quarter would be dramatic. That wasn't the case," he tells ShippingWatch.

In the first three months of the year, d'Amico International Shipping booked a [profit of USD 1.8 million](#) compared to USD 7.2 million in the first quarter 2016. This is much better than the end of last year where the fourth quarter brought a deficit of USD 18.9 million.

For this reason, the carrier is pleased with how things are developing on the market for product tanker.

"You can't compare the first quarter of last year where rates were still good from the previous peak year. It was a completely different ball game so it's a little like comparing apples and pears," says Fiori.

"On the other hand, it's obvious that the market is on the rise compared to the last two quarters of last year," he says noting that the carrier's spot rates have increased by slightly more than USD 3,200 to USD 13,363 per day.

Raising new capital

Several analysts had estimated that the improvement in product tanker would not begin until the second half of 2017.

But the overflowing stockpiles have been reduced faster than expected, says Fiori, and this has boosted demand for freight of oil products. He now hopes that the competitors will hold off on ordering vessels.

"It would be a repeat of mistakes made in the past. Another challenge is that the inventory will have to be depleted," says the Italian tanker executive, rejecting that his carrier will expand the fleet with used vessels this year.

D'Amico International Shipping, which is noted on the stock exchange in Milan, has been underway with a major fleet renewal since 2012. A total of 22 vessels were purchased in an investment plan worth USD 775 million which is expected complete in 2018.

The carrier has also sold vessels and is now [carrying out a capital expansion](#) of USD 37.5 million to provide a buffer for the company.

"This allows us to wait and see how the market develops in 2017. If we need the money, then we have it, and if we don't need it, then we can consider how to spend it," CEO Fiori tells ShippingWatch.

English Edit: Gretchen Deverell Pedersen

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We don't think that 2017 will be a fantastic year but it will be fine and much better than expected" — CEO Marco Fiori, d'Amico International Shipping

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D'Amico International Shipping is part of the d'Amico Group. The tanker carrier is registered in Luxembourg, but listed in Milan. At the end of 2016, the fleet counted approximately 52 vessels in Handysize, MR, and LR1
