

This copy is for your personal, non-commercial use. For high-quality copies or electronic reprints for distribution to colleagues or customers, please call UK support at +44 (0)20 3377 3996 / APAC support at +65 6508 2430

Printed By

D'Amico expects to profit on diesel-led tanker rates recovery

Seaborne transport of refined products forecast to grow at an average rate of 9.5% between 2021 and 2023

05 May 2022 | **NEWS**

by Michelle Wiese Bockmann | @Michellewb_ | michelle.bockmann@informa.com

Italian shipowner reports net loss of \$6.5m over the first quarter of the year, but it is already seeing earnings uptick as US diesel shipments replace Russian cargoes



PAOLO D'AMICO SAID THAT THE TANKER MARKET 'WILL STAY IN THIS CONDITION, CERTAINLY FOR THIS YEAR'.

D'Amico International Shipping chief executive Paolo d'Amico expects a return to profit for the owner and operator of 36 product tankers for the remainder of 2022.

However, he declined to forecast beyond the next six to seven months, citing rising market uncertainty as Russia's war on Ukraine, China's slowing growth, global supply chain pressures and "stagflation" fears in western economies cloud any medium-term outlook.

Luxembourg-incorporated d'Amico had a first quarter of the year net loss of \$6.5m on revenues of \$66.5m, compared with a loss of \$9.8m on revenue of \$59.1m in the same period a year earlier, according to a statement.

As with rival owners, d'Amico highlighted a rapid and extraordinary rebound in product tanker rates over the past six weeks.

Dislocated diesel markets for Europe, which is heavily reliant on Russia for imports of the transport fuel, led the improvement, Mr d'Amico said.

Increased shipments of diesel from the US Gulf Coast to Europe to partially replace shunned Russian cargoes, is being followed by increased demand for product tankers in South America to keep rates buoyant, he said.

“We have said since the end of last year and beginning of this year that we were expecting fundamentals to work in our favour over the second half of this year and the Ukrainian and Russian situation has accelerated this phenomenon which is happening now,” he said.

The market “will stay in this condition, certainly for this year. Right now, for 2023, I do not want to make any speculation because things can change very, very fast”.

Spot rates for tankers in the company’s fleet averaged \$12,857 per day in the first quarter, 29% higher than the first quarter of 2021.

Mr d'Amico said medium-range tankers plying Atlantic and transatlantic trades were now earning an average of \$20,000 per day during the second quarter, with some vessels fixed on rates as high as \$50,000 and \$60,000 per day.

The company’s fleet includes 24 MR tankers, six long range one tankers, and six handysize tankers, with an average age of seven years.

D'Amico forecast that seaborne transport of refined products will grow at an average rate of 9.5% between 2021 and 2023, with net fleet growth for MR and LR1 tankers of 1.2% in 2022 and 0.5% in 2023.

D'Amico chief says product tanker market is turning a corner

By Nidaa Bakhsh

11 Nov 2021

The Italian owner, which has sold one of its oldest vessels, says next year offers better prospects as vaccine uptake rises, allowing more people to start travelling again

[Read the full article here >](#)