

Paolo d'Amico, chairman and chief executive of d'Amico International Shipping, is plotting his next move. Photo: d'Amico International Shipping

## Paolo d'Amico would rather buy than be bought as he talks tanker strategy

Italian shipping company set to consider its next move after completing fleet renewal

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By [Gary Dixon](#)  in **London**

D'Amico International Shipping (DIS) chief executive Paolo d'Amico is looking to “invent” a new long-term plan after the Italian tanker company completed its fleet renewal.

Expansion could well be on the cards, but the Milan-listed owner's boss told TradeWinds that he would rather be a buyer than bought in any consolidation play.



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Asked about whether DIS would carry out any future mergers or acquisitions in the product tanker sector, the chief executive said: “If it makes any sense, probably yes.”

But he added: “We are tanker owners since forever and we want to stay that way for the family, it's a family business. If it's us buying something, why not?”

“To be bought, I don't know — it all depends on the new generation, what they want to do.”

In April, DIS completed the sale of its last old tanker, having taken delivery of 22 newbuildings in recent years.

The DIS fleet now comprises 36 double-hulled LR1, MR and handysize ships, with an average age of 6.6 years.

Rates for these vessels have improved in recent weeks, but d'Amico remains cautious.

“The recovery of the market is not even a month old, so let's wait to see if that's consolidated and then we will start looking at a new strategy,” he told TradeWinds.

“Because we had a strategy. Now we have to invent a new one.”

### Not enough ships?

In the short and medium-term, the aim is to strengthen the company and reduce debt.

“When the market is bad, you have too many ships and when the market is good, too few,” d’Amico said. “We are looking at whatever opportunities are there.

“But before that, we have a number of purchase options to look at.”

These relate to bareboat-chartered ships sold in leaseback deals.

“Our main goal is always to deleverage the company and put it in a secure position for future cycles,” d’Amico said. “There is a lot of work to do when things are going well, thank God.

## Buys look likely

“Now we are in a position to buy and I think we are certainly going to do that in our deleveraging policy.”

D’Amico thinks a return to profit is possible in coming quarters, with May looking stronger than April so far.



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The net loss was \$6.5m in the three months to 31 March, compared with red ink of \$9.8m in the same period of 2021.

One long-term challenge that is not going away is decarbonisation.

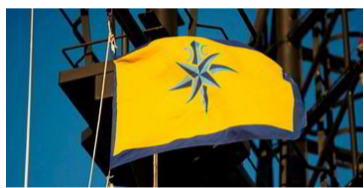
There is no plan currently for newbuildings to help the company reach net zero.

“I think nobody has one,” d’Amico said. “It’s a rather complicated affair.

“With decarbonisation, we will certainly have a long-term challenge; it’s something we cannot forget in the name of a very good market.”

## Temptation must be resisted

D’Amico also said he is afraid the “temptation” is there for owners to head back to shipyards for more tankers in the short term.



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But he believes two elements mitigate against this.

“Number one, it is difficult getting the ship earlier than the end of 2024, if not 2025,” d’Amico said.

“Number two, everybody is wondering what sort of propulsion we have to put in the ships, what sort of fuel we should be burning.”

D’Amico also said LNG is “not too much of an option” at the moment, due to its rising cost.

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