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Considerable improvement
The company's first-quarter results marked a considerable improvement from last time, and the hope is that the second quarter can avoid its seasonal weakness as refineries turn around.

As for the longer-term picture for product tankers, there is plenty to get excited about.

For the next two years, some experts forecast 7% global demand growth, which is above the 10-year average of 5%-6%.

Overall global fleet growth is set to peak this year at just

above 6% before declining to 4% in 2017, according to some estimates.

Australia's product imports are set to grow at the fastest pace in seven years in 2015, following the closure of a number of the country's ageing refineries as they face competition from new refineries in Asia.

Australia is also expected to become Asia's second-largest gasoline importer by 2020, and it is already the region's top importer of diesel, on which it relies heavily for the country's vast mining operations.

D'Amico rakes in \$11m profit as product tanker market improves

Italian product tanker company looks forward to its debut in the LR1 segment
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Saudi Arabia has a total refining capacity of 2.9m barrels per day and about 1.2m bpd of this capacity (40%) has been added since 2009 via three refineries of 400,000 bpd each, all built in joint ventures with foreign partners.

The MRs are still the workhorse of the product trade,

but larger LR1s and LR2s are leading the way for the long-haul destinations in the Far East and Europe.

It would be a brave man who would bet against ambitious companies such as d'Amico delving further into the LR segments in the coming quarters.

US shippers call for more action on congestion fees

AgTC says container detention charges made by carriers are "grossly unfair"

US AGRICULTURAL exporters are calling on the Senate Commerce, Science and Transportation committee to challenge Federal Maritime Commission chairman Mario Cordero over what is being done by the commission to prevent "grossly unfair" container detention charges made by carriers, writes James Baker.

The Agriculture Transportation Coalition said Mr Cordero's Senate confirmation hearing yesterday would give senators an opportunity to apply pressure on the FMC to do more to prevent lines from applying "financially burdensome" charges for delays of their own making.

"The US agriculture and forest products industries, the mainstay of our international trade exports, suffered billions of dollars of lost sales and revenue during the prolonged west coast port disruption," said Agriculture Transportation director Peter Friedmann.

"Now, these same exporters are faced with millions of dollars of charges being

imposed by ocean carriers, for delays which were most certainly not caused by the exporters. We urge Congress to encourage chairman Cordero and the commission to compel the ocean carriers to waive all per diem charges imposed during the period of west coast port congestion."

AgTC argues that west coast port congestion made it impossible to return containers before the free time had expired. Labour disputes meant terminals were closing for hours or days at a time and trucks could not get into terminals to redeliver containers.

Despite carriers being aware of this situation, they still applied daily charges totalling hundreds of thousands of dollars for some customers.

AgTC also contends that carriers did much to create the problem by failing to give accurate information on arrival and departure times.

"The carriers allowed the terminals to decide when and for how long they would accept containers for a sailing," said Laura Daniels of AgTC member Anderson Hay and Grain.

"Cut-off dates for receiving cargo (and containers) were frequently delayed two or three weeks after we had taken the



Cordero: FMC chairman is under pressure over "grossly unfair" container detention charges by carriers. © 2015 Bruce Smith/AP

containers for loading, even though the carriers knew they were only giving us 14 days' free time."

Mr Friedmann said carriers should not be allowed to profit from the congestion. "We applaud those carriers who are responding to their customers' request for waiver of these unfair per diem fees," he said.

"As the US consumers of ocean transportation services, we look to the FMC and Congress to insist that all carriers waive these fees for shipments during the brutal west coast port congestion."

Last month, the FMC released a report into west coast congestion and the remedies available to shippers. It has also established a process

through its Consumer Affairs and Dispute Resolution Service, by which exporters or importers can file a request for assistance. The shipper can then ask the FMC to encourage the carrier to waive the per diem fee.

None of this has satisfied AgTC, however.

"The commission has demonstrated that it can take effective action immediately, even if via informal communications with the ocean carriers," it said.

"We urge Congress and the FMC to defend US exporters, importers and farmers by ensuring that per diem fees imposed by ocean carriers during the time of peak congestion at west coast ports are waived fully."