

**Fair Play**  
**July 16, 2012**  
**Claxton weighs 7 orders**

THORESEN Shipping Singapore's managing director Ian Claxton told Fairplay today the company is considering orders for up to seven Supramax newbuildings.

The Supramax specialist is a unit of Thai conglomerate Thoresen Thai Agencies. It shifted its drybulk carrier operations to Singapore last year to ride on the city-state's shipping tax breaks.

Claxton explained that he plans to expand Thoresen's fleet from the current 16 ships to 24-30 ships by 2015; the seven ships being considered would be delivered by 2015 if ordered.

"The additions to our fleet will be 50-50 between secondhand vessels and newbuildings," said Claxton. "New environment regulations that will come into effect around 2015 and beyond will mean that secondhand vessels will need some retrofitting to meet ballast water and emissions restrictions.

"With the pretty low newbuilding prices, we can order newbuildings and – hopefully, if negotiations are good – lock in a price that may give value in terms of new technologies," he added.

Claxton did not name any yard that could win the job but said Thoresen is familiar with Japan's Tsuneishi Shipbuilding.

"We prefer Japanese-built ships because of the proven quality," he explained. "With shipyards, there is a league pretty much like that of football, and Japanese yards are at the top of the league."

For secondhand ships, Thoresen's criterion is that the vessels should not be more than 8 years old and must have good fuel economy.

"It's a plus and minus between investing in newbuildings and turning to the resale market," he noted. "If you order newbuildings, you lose the ability to generate cash and profits for the next two years.

"If you buy a secondhand ship now, it can generate profits immediately. But you will need to spend money on retrofitting later."

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**Lloyd's List**  
**July 13, 2012**  
**Ian Claxton, chief executive of Thoresen Shipping: good deals.**

Thoresen Shipping will add up to 12 more vessels, half of them newbuildings, in an effort to cash in on low secondhand market prices and favourable deals emerging in Asian yards. Most of the new ships will be supramaxes.

Thoresen Shipping is the Singapore-based unit of Thoresen Thai Agencies, the Thai transportation and energy conglomerate. The dry bulk unit moved to Singapore last year and launched a fleet renewal plan that featured the disposal of older dry bulk vessels and investment in a younger fleet with a more efficient operating profile.

Earlier this month, the company bought a 2006-built, 52,489 dwt supramax for \$19.2m, boosting its fleet to 16 vessels with an average tonnage of 47,209 dwt per ship. It has two additional supramax vessels on order in Vietnamese yard Vinashin, with delivery scheduled for September and February.

Thoresen Shipping announced plans to add eight secondhand ships to its fleet earlier this year. Now Mr Claxton aims to increase the fleet size to between 24 and 30 vessels in total, including the newbuildings.

“Our previous target was all secondhand due to the lower asset value in the Baltic downcycle. But there are some good deals at the moment to place orders delivered between late 2014 and 2015,” Mr Claxton said.

Thoresen Shipping will place the orders very soon, targeting vessels of up to dwt 58,000, he said. The Philippine’s Tsuneishi Heavy Industries, Japan’s IHI and some Korean yards are potential contractors.

Underlying the decision to boost fleet size and add newbuildings is Mr Claxton’s view that the drybulk market has turned a corner. “We’ve ridden out the downcycle and are extremely well-positioned for the upcycle,” he said. He foresees the company posting operating profits for 2012.

Another reason is the raft of looming regulatory deadlines, including those for compliance with the International Maritime Organization’s ballast water convention.

“Why take a gamble on the secondhand market two years later when you could lock in a fairly good rate today for newbuilds and get the new technology that covers environmental issues as well,” Mr Claxton said.

Adopted in 2004, the water ballast convention is aimed at preserving biodiversity from invasion by alien species following ballast tank discharges. It requires newbuildings from 2012 to be installed with water treatment systems.

The company’s efforts at rejuvenating the fleet and slashing costs has trimmed the fleet’s breakeven rate to \$11,000 per day, compared with current average earnings of \$12,000 per day, according to Maybank Kim Eng analyst Jaroonpan Wattanawong, who follows Bangkok-listed TTA closely.

Both TTA and its dry bulk unit have been in the red for the past two quarters.

Mr Claxton explained his preference for supramax vessels by extolling their versatility. The ships can call at a wide variety of terminals, enter shallower ports than their panamax cousins, and carry a wide range of cargoes, from grains and fertilisers to nickel ores and steel pipes. Cargos like nickel and steel can be less vulnerable to wide price swings than coal or iron ore.

Mr Claxton, who took the helm last July, transferred some vessels to routes in the Atlantic basin, where time charter rates tend to be higher, and focused on more specialised shipments, which also fetch higher rates than more basic commodities.

“For a ship sitting in the Atlantic, the rate is \$19,000 to \$20,000 per day, compared with \$7,500 to \$8,000 per day in the North Pacific and the Indian Ocean,” Mr Claxton said.

According to Mr Jaroonpan, this is only a short-term, downcycle strategy. “When the market rebounds, Thoresen Shipping will be back in service for normal consumption dry goods such as grains, rice, cement, fertiliser etc. The amount of steel pipe or nickel ore is not enough for world fleets [to ship],” he said.