



Enter

Enter your email address to sign up for our newsletter

OTHER NEWS FROM AROUND THE WORLD: Vale inaugurates Malaysian terminal India to develop Iranian port in return for cheap

### News

## Mediterranea di Navigazione: Seeking solace from niches



Ravenna: "What we are experiencing is a degeneration of the market caused by several factors, not only by investment funds". With these words Paolo Cagnoni, ceo and chairman of Mediterranea di Navigazione SpA, comments the factors that have helped to create the present perfect storm in the shipping industry. "Not all business segments of the maritime transport are feeling the same way of the economic downturn; for instance the chemical tankers market is moving towards stability thanks to a reduced number of newbuilding deliveries planned for the future," explains Cagnoni underlining that the excess of liquidity brought into the dry and liquid bulk by the investment funds is changing the traditional dynamics of the shipping market.

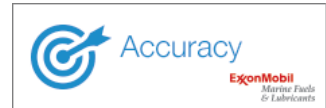
Mediterranea di Navigazione is a shipping company founded in 1908 and based in Ravenna in Italy. The company, which is the owner of 10 modern and technologically advanced vessels, has focused on highly specialized niche markets with its diversified fleet of chemical carriers, gas carriers (such as ethylene carriers) and oil tankers of different sizes with total capacity ranging from 5,000 to 45,000 dwt. "Our operation market segments include the Mediterranean Sea, the Black Sea, the North Sea, the Baltic Sea, South and Central Americas" explains Cagnoni adding that the commercial activity of Mediterranea di Navigazione in 2013 allowed it to transport approximately 3.3m tonnes of 70 different types of cargo such as chemicals, petroleum products, lubricants, vegetable oils and gas.

The Ravenna-based shipping company at the moment has suspended new investment initiatives after the last purchase (completed one year ago) of the asphalt bitumen tanker Black Shark from the SMTV - G. Messina bankruptcy procedures. "With that investment, we completed a process of diversification already started with the delivery of the two ethylene carriers - King Arthur and Excalibur - built in Vietnam in 2011 and 2012," says Cagnoni, summarising the composition of the fleet. "We have a total of 10 units that allow us to be present not only in the bitumen and gas market, but also in the small chemical tankers segment as far as in the 15,000 - 45,000 dwt tanker market," he says.

Although 2014 will close in the red with a turnover of around EUR55m, Cagnoni says the group's diversification plans, entering the likes of chemical, gas and bitumen transport where there are high technological and financial hurdles which tend to bar the entry of speculative investors places the company in a decent position going forward.

For the future Cagnoni strongly believes in two parallel shipping industries: "On one hand there will be the traditional markets more easily to be attacked by private equity funds, while on the other hand the niche segments, with companies like Mediterranea providing tailor made services to charterers through high quality ships and crews."

Looking at the short term future, the Italian shipowner says: "At present the Mediterranean and the Black Sea regions are suffering due to low charter rates but my main worries is in West Africa with the Ebola virus and the piracy impact on the business." [07/11/14]



Share: 2



ASM Maritime & Offshore News

Like 37,607