Dragnis to launch new tanker arm

The Dragnis family is entering the wet trades with tanker outfit Oceangold Tankers.

Yiota Gousas Athens

The Dragnis family of Greece is set to launch its new tanker arm this month, Oceangold Tankers.

The new products-tanker offshoot of Goldenport Shipmanagement will be headed by Vasilis Dragnis, the youngest member of the shipping family, with an initial fleet of three ships.

The first to enter the Oceangold fold are two 75,000-dwt products tankers — the *Alpine Penelope* and *Alpine Persephone* — to be delivered by the end of the month. They are worth about $60m each, according to newbuilding brokers.

The third ship is the 40,000-dwt products tanker *Crete* (built 1988), purchased by the family in early 2005 for a reported $17m.

All three ships are locked in on long-term charters.

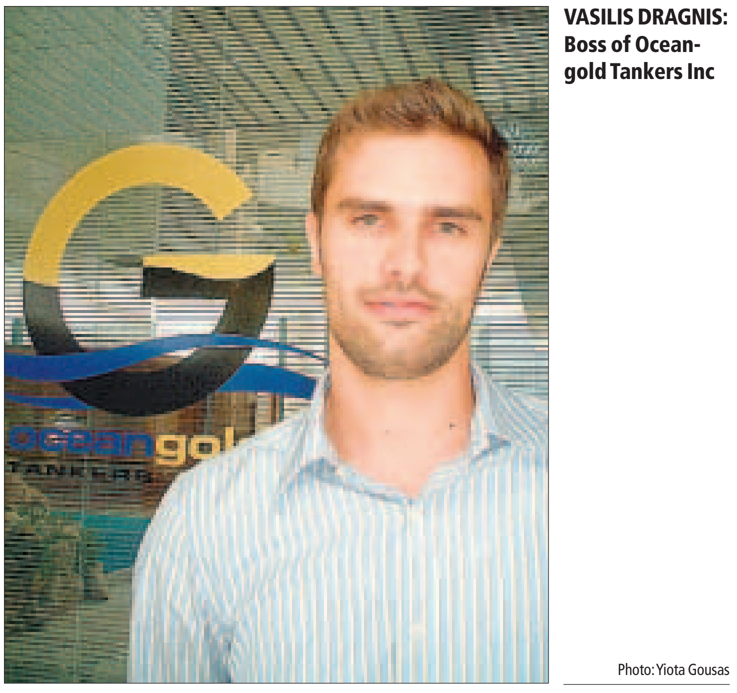
The first pair has been chartered to ST Shipping for seven years at an undisclosed rate, says Dragnis. Brokers suggest both ships will be earning around $23,000 per day.

The *Crete* is working a time-charter agreement for the West Africa to South America trade route and will be open for charter again by April.

Dragnis says the new company is taking a conservative approach to chartering and is set to focus its energy on fleet expansion. He adds that Oceangold intends to develop a fleet of middle range products tankers.

He reveals that even though a large fleet would provide economies of scale, Oceangold is set to hold off from buying for the near future as asset values remain high. "We are willing [to buy] but we are not just going to drop money in the bucket," Dragnis said. "It has to be a good deal."

He says the company is mulling over whether another three tankers under technical management by third-party companies, but owned by the Dragnis family, will enter the Oceangold fleet in the meantime.



VASILIS DRAGNIS: Boss of Oceangold Tankers Inc

Photo: Yiota Gousas

One is a products tanker, the 50,000-dwt *Santa Elena* (built 1986), bought in 2005 for a reported $16.25m. Dragnis says the decision will depend on whether the ship is sold on in view of rising asset values.

The other two ships are chemical tankers, the 39,000-dwt *Symphony I* (built 1982), bought in December last year for a reported $6.5m, and 51,000-dwt *Synergy* (built 1985), bought in June for a reported $12m.

The tanker sector is a new area for the Dragnis family, which controls Goldenport, founded by Paris Dragnis in 1982. Goldenport has so far specialised in bulkers and boxships and took its fleet to the London Stock Exchange on 5 April 2006 through its Goldenport Holdings vehicle.

Dragnis says a team of products-tanker experts and crewing resources has been built up in the past year in anticipation of the newbuilding deliveries.

He says the family intends to take Oceangold to the public markets when the timing is right.

While his father, Paris, and his older brother, John, control Goldenport Holdings, Vasilis has been allocated the role of heading the tanker operation.

The 27-year-old owner has been working under his father's wing for the past three years, rotating through various departments. Unlike what many might suspect, Dragnis says his father did not pressure him to follow in the family business path.

Having studied art in university, he had rejected shipping when he was younger as it seemed to involve a lot of paper work. Since then, he has pursued studies in shipping.

"I chose to be in shipping," said Dragnis.

New beginnings are also on the cards in the luxury-yacht sector for the Dragnis family through its little-known company Golden Yachts.

The luxury-cruise operation, which is described as "the baby" of Paris, is not new but it is set to launch a yacht shipbuilding facility in Greece. The new yard will construct hulls and the interiors will be fitted in Italy.

John says the project will involve the construction of a 65-metre cruiser.

Established in 1997, Golden Yachts has been marketing its own ship brand name since and built up a fleet of five 45-metre to 55-metre boats that are hired out to holidaymakers.

All four companies are housed in the office complex owned by Goldenport in the south-eastern waterside suburb of Voula.

Panamax bulk carriers to enjoy strong year

Geoff Garfield London

The panamax-bulker market looks evenly poised in terms of supply and demand but the sector needs to brace itself for challenges ahead, says a new report.

Not least a hefty newbuilding orderbook reaching into 2013, the risk of a slowdown in Chinese housing and infrastructure demand after the Olympics in 2008 and consequences of the 2015 Panama Canal expansion.

Report author transport bank DVB says the rush to order panamaxes has reached "worrying levels" and 2010-2011 onward could see the buoyant panamax picture change.

For 2008, however, DVB says the trade matrix indicates a strong year ahead, possibly strengthening if there are delays in newbuilding deliveries.

It is upbeat about China infrastructure development continuing and concludes that the outlook for dry-bulk cargoes generally looks "undoubtedly bullish". New and emerging trade lanes have increased tonne-mile demand.

The bank's research and strategic planning team in its latest market outlook for panamax bulkers pinpoints different variables that could hit on the market such as investments easing port congestion.

Although this will raise fleet productivity, other factors could temper near-term supply, including 199 vessels expected to go through special surveys in 2008, removing each ship from the market for around 32 days.

More significant is the trade outlook. DVB says total dry-bulk cargo volumes are expected to increase around 23% from 2.5 billion to 2.9 billion tonnes over the next four years. Panamax bulkers account for over 20% of seaborne trade.

DVB categorises panamaxes as between 60,000 dwt and 83,500 dwt and on the downside highlights that the sector can expect to compete for market share with slightly larger tonnage of up to 100,000 dwt entering into service.

DVB — which draws extensively on LR Fairplay and Clarkson raw data — points out that the panamax fleet is relatively young, with an average age of 12 years, as against 16 years for the entire dry-bulk fleet.

Although the 13% in dwt terms of 25 years or more are demolition candidates when the market turns, the absence of mortgages means such tonnage will not feel the pinch as much as newbuildings.

DVB expects the trend toward low panamax scrapping to continue for most of 2008.

As regards the newbuilding scene, where around 30 million dwt of panamaxes are expected to join the fleet — including a record 109 of 8.5 million dwt in 2010 — DVB warns that new and proposed yards mainly in China have "unlocked the vessel supply potential to dangerous levels".

The bank poses the question: "How long can these levels be sustained and at what long-term cost to the industry?"

Looking back on the past year, DVB says, although panamax rates have recently been in decline, to describe last year as "phenomenal" would be an understatement.

The Baltic Panamax Index "rocketed" with dry-bulk shipping reaching "a new dimension not witnessed before".

Charterers paid exceptional rates to guarantee security of supply and, for the dry-bulk market in general, many traditional cargo interests were forced to consider shipowning rather than rely on the freight market.

Korea orderbook still the biggest

South Korea still rules the roost as the world's largest shipbuilding nation with an orderbook dwarfing those of China and Japan, according to the latest figures. It boasts a market share of 40.54%, way ahead of China, which has a 30.20% share.

Japan finished a distant third at 17.67%, while India and Vietnam had a market share of 1.20% and 1.17%, respectively.

Based on the present orderbook, Korean yards held each of the top-five positions, according to statistics released by the World Yards database.

Hyundai Heavy Industries has the world's largest orderbook with a 12.17% market share, ahead of compatriot Samsung Heavy Industries (7.55%). Daewoo Shipbuilding & Marine Engineering claimed third place with a reported 6.31%.

China's Dalian Shipbuilding (2.38%) was the first non-Korean name on the list, claiming sixth place, ahead of Japan's Mitsubishi Heavy Industries (2.17%) in seventh place. Universal Shipbuilding (2.12%), Imabari Shipbuilding (1.83%), both of Japan, and Sungdong Shipbuilding (1.72%) rounded out the top 10.