

TANKERS

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Anil Sharma's shipowning outfit Lila Global is said to be expanding into the VLCC sector. Photo: GMS

VLCCs change hands at a quicker pace as oil storage heats up

Falling freight rates do little to dampen sale-and-purchase activity in the tanker market

10 January 2023 13:09 GMT *UPDATED 11 January 2023 16:47 GMT*

By [Harry Papachristou](#) in [Athens](#)

Declining spot and period rates for tankers have not discouraged tanker buyers one bit.

As the year turns, sale-and-purchase deals continue flowing at a brisk pace and rising prices.

Even VLCCs have joined in the dance lately.

“An active beginning [of the year] for bigger sizes was... observed in the wet market, as half of the sales belong to the VLCC sector,” Athens-based Xclusiv Shipbrokers said in their latest weekly report.

Some observers are wondering whether this might have something to do with Russia's threat just before the New Year to stop selling crude to countries complying with a Western price cap on Russian oil.

Announced by Russian president Vladimir Putin on 27 December, the Russian ban is said to last for at least five months from 1 February.

“It is no coincidence that since the day of the announcement by Russia, storage volumes of crude have spiked more than 30%,” Eva Tzima, head of research at Athens-based Seaborne Shipbrokers wrote on Monday.

“Traders [are] looking to secure as much stock possible before the new round of retaliation between Russia and Western countries sends prices again through the roof,” she added.

Crude oil is primarily stored on VLCCs.

It remains to be seen whether buyers of such big tankers have indeed acted on such motives.

One of them told TradeWinds on condition of anonymity that his company keeps its options open on whether to trade the newly acquired vessel or use it for storage business.

“True freight rates have declined recently but not in any exaggerated manner,” he said.

In one of the recently reported deals, Taiwan's Formosa Plastics is said to have raised between \$54m and \$55m from the sale of the 298,100-dwt FPMC P Honor (built 2008).

Managers at Formosa Plastics were not immediately available for comment.

But one shipping source familiar with the company confirmed that Formosa Plastics put up for sale the FPMC P Honor, its oldest VLCC, with prospective buyers displaying ample interest during bidding on 27 December.



Moves by Russian President Vladimir Putin are affecting the VLCC market. Photo: Kremlin

Formosa Plastics is said to be planning to sell vessels over 15 years old that do not transport its cargo.

In another Asian VLCC sale, Hong Kong-based Nan Fung Shipping is said to have offloaded its only VLCC, the 281,400-dwt Asia Dawn (built 2005), to Middle Eastern buyers for about \$50m.

TradeWinds reported on 9 January about Cosco Shipping Energy Transportation selling the 298,800-dwt Cosgreat Lake (built 2002) to Middle Eastern buyers for a price in “the very high \$30ms”.

Shipping sources are tying UAE-based Lila Global, to the \$39m deal. This is the third ship that the shipowning arm of cash buyer GMS buys from Cosco to fuel its rapid expansion, and it’s also the first VLCC it is linked with.

Another VLCC deal widely reported by brokers this week is from late last year. Greece’s Chandris (Hellas) has [lowered its tanker exposure further](#) with the sale of the 306,500-dwt VLCC Ellinis (built 2007), reportedly for \$57m.

The ship is trading for its new owner as Nellis.

VesselsValue is listing the ship under the management of Hennessea Tankers Corporation, a Dubai-based outfit that is said to have assembled another eight oil carriers since July 2022 — from a small clean tanker to three aframaxs, two LR2s and two suezmaxes.

More lucrative Greek sales



After concluding a lucrative newbuilding resale, Greek shipowner Michael D Chandris has also agreed to sell a VLCC. Photo: Harry Papachristou

Moving to smaller tankers, the Thanassis Martinos company Eastmed joined the selling party, with company managers confirming to TradeWinds they divested the 105,300-dwt aframax Syra (built 2010) for \$39.5m.

In another deal, several brokers report George Procopiou-led Dynacom Tankers Management as agreeing to sell the 146,300-dwt suezmax Ice Transporter (built 2006) for \$47.5m to undisclosed interests, possibly in the Middle East.

Martinos and Procopiou have rarely sold tankers recently, instead expanding their fleets with several newbuildings.

Eastmed took delivery of three MR newbuildings from South Korean yards last year and [bought a fourth on the secondhand market](#). In the same period, Procopiou took delivery of two VLCCs and three suezmaxes from Chinese shipyards — all equipped with scrubbers.

In a tanker market in such flux, however, some sale reports may have to be taken with a pinch of salt.

Greece's Westport Tankers was reported last month to be selling its last remaining ship, the 146,400-dwt Mike R (built 2006), to undisclosed buyers for \$45m.

The same vessel is now reported sold again, at an eye-watering price of \$49m.

Irene Ang contributed to this article. ([Copyright](#))

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