

Fleet rethink needed

Owners of bulk carriers may need to rethink their fleets as coal imports decline with the growing focus on reducing carbon emissions, delegates to the London International Shipping Week Conference heard today.



Wah Kwong chairman Sabrina Chao said the driver of the bulker market this year has been the reduction in coal imports for China. She said this is likely to continue as Asia tackles its environmental issues over the next 10 years.

"The bulker industry going to have to live with a lot less coal being consumed," she said.

Chao told TradeWinds that this would not likely change the make-up of Wah Kwong's fleet.

"We have always operated a very diversified fleet and fundamentally that is how we will continue to operate as that will provide us with a risk hedge," Chao said. "We are aware of the

change in trading patterns and we try to predict as much as we can.

"We order ships that are more versatile and we work very closely with big operators so we understand the kind of ships they want for the future," she added.

Chao said the next decade will see more finance being provided by Asian banks.

She said the industry would likely see more consolidation and protectionism in China's maritime sector and increasing moves to build up the country's VLCC fleet. But she does not think China will shut out foreign ships.

The Wah Kwong head said she does not expect to see an significant growth in shipbuilding capacity in the next decade and to some extent this will be dependent on demand from shipowners. "It is in our hands," she said.

Chao said it will be important for privately owned Asian owners – some of whom are handing on to their third generation family members – to recruit the right staff.

She admitted that industry is "in a very different world" than 10 years ago and said the models that owners have relied on are no longer very lucrative. Companies do have to innovate and think out of the box, she said.

But she kicked back against Euronav chief executive Paddy Roger's comments that shipping needs to migrate away from the family-owned model and move towards public stock listings, saying being asset heavy and capital intensive is not necessarily the type of company investors would love.

"Personally I do not see the benefit of going public when you cannot even tell them what the earnings will be in six months time," she said.

> More News About: [Chartering, Asia, Bulk carriers](#)