

# Wah Kwong enters kamsarmax market with Chengxi order

Sabrina Chao-led company confirms first bulker newbuilding order in half a decade.

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Wah Kwong Maritime Transport has broken into new territory within the dry cargo market following an order for a brace of newbuildings at China's Chengxi Shipyard.

The Hong Kong-based shipowner has commissioned Chengxi to build two 82,000-dwt kamsarmax bulk carriers in a contract which does not include any options.

David Palmer, chief executive of Wah Kwong, confirms the order, which he says marks the company's first foray into the kamsarmax arena.

"We believe they will be attractive ships for the market at the time they are delivered. They are due for delivery in January and March 2020", said Palmer.

"We will start looking for the vessels' employment from middle of next year."

One shipbuilding source familiar with Wah Kwong says the vessels are part of the company's fleet renewal programme.

He did not say how much the privately-owned company is paying for the vessels but did reveal Wah Kwong will be fitting the newbuildings with scrubbers.

"Wah Kwong has been in contact with Chengxi on the newbuildings for some time," said the source.

Wah Kwong last ordered newbuildings at Chengxi five years ago when it signed up for a series of ultramax bulkers at the facility.

It has been active in the newbuilding market since that time. In 2014, it ordered two aframax tankers each at Shanghai Waigaoqiao Shipbuilding and Sumitomo Heavy Industries which have since been delivered.

While it has not since ordered any vessels since to its own account, it has remained active in the newbuilding market with partners.

"Wah Kwong has been involved in some of the newbuildings ordered by Chinese companies and Chinese leasing firms," said the shipbuilding source.

An order for six 120,000-dwt mini-capesize bulk carriers by CSSC Leasing at Huangpu Wenchong Shipyard is just the latest example of such transactions.

The leasing arm of shipbuilding conglomerate China State Shipbuilding Corp (CSSC) ordered the bulk carriers on the back of 12-year charters from Cargill Ocean Transportation, the shipping wing of the US agricultural giant. Wah Kwong was drafted in to oversee the technical management and crewing of the ships.

Wah Kwong has also helped Chinese company Shandong Landbridge on the technical management and provided newbuildings supervision for six VLCCs ordered at Dalian Shipbuilding Industry Co (DSIC).

Three of the crude carriers have been delivered to Shandong and are placed in Navig8 pool. The remaining three are slated for delivery next year.

VesselsValue lists Wah Kwong with two 61,000-dwt bulk carrier newbuildings on order at Dalian Cosco KHI Ship Engineering (Dacks) for delivery next year. But TradeWinds understands the duo are not owned by Wah Kwong.

The ultramaxs were ordered by a leasing company and Wah Kwong is helping with the ships technical and commercial activities.

Wah Kwong, headed by Sabrina Chao, has a fleet of 21 owned vessels, consisting 15 bulk carriers and six tankers. It also has an equal number of vessels under its technical and commercial management.