

Two more owners may join Italy's listed few

LISTED Italian shipping companies are few and far between — d'Amico and Premuda are the only two companies listed on the Milan stock exchange while Scorpio Tankers is listed in New York — but two more companies may shortly join this small group.

Tanker company Finaval, which is owned by Giovanni Fagioli, is understood to be weighing up a Milan listing using a special purpose acquisition company while Paolo Clerici's controlled Coeclerici Asia is planning an initial public offering in Singapore in the next two years.

Shipping is a capital intensive business and a stock market listing can be an effective way of accessing capital while keeping the management structure under control. Many operators believe that being listed is empowering but they feel that the listed Italian shipping companies are often undervalued, which may explain why there are so few listed entities.

Pointing to its latest transport survey, Norton Rose partner Gennaro Mazzuoccolo says that "at the moment [the] shipping business is languishing in Italy. In 2009, although battered by violent changes in the shipping market, there seemed to be an underlying optimism that, as with all previous cycles in shipping, this crisis would not last much longer."

He adds: "Our third survey suggests that view has proved too optimistic and we are not entirely surprised by this as shipping is in the midst of a difficult period; an extended period of overcapacity and poor charter rates have caused asset values to slump and made financing much more difficult.

"The result of this is that shipping sector respondents expect to find their funding from a wider range of sources, including private equity." n
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