
Mercator Lines to hike capacity

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ET reported that Mercator Lines is expanding its capacity. It is set to acquire 3 gearless post Panamax bulk carriers totaling 277,000 DWT on a charter basis. Company sources said the investment would be around INR 500 crore for this additional expansion of vessels.

As with all its other dry bulk acquisitions, these additional vessels will also be under its Singapore listed subsidiary Mercator Lines. Out of the 3 vessels proposed to be acquired, two are from the New Yangzijiang Shipyard in China, which will remain with Mercator until 2014. The third vessel is from Sungdong Shipyard, South Korea and will be on a charter with Mercator until 2020.

This development comes at a time when the shipping industry has been grappling with weak spot freight rates on a YoY basis in both dry and tanker segments. Mercator has attempted to offset this difficult operating environment by going in for long term contracts with its key customers.

The existing capacity of the company's dry bulk fleet is approximately 1.2 million DWT. Mercator's own fleet currently comprises 12 tankers with a combined capacity of 1.37 million DWT, 12 dry bulkers with a combined capacity of 898,000 DWT, 4 dredgers with a combined capacity of 31,854 cubic meters and a 350 feet oil jack up rig.

(Sourced from The Economic Times)

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