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## Apeejay Shipping to double capacity by 2010

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PTI

Kolkata: Apeejay Surendra group company Apeejay Shipping said it is planning to double its fleet capacity by 2010 amid the ongoing economic slowdown and a sharp fall in freight rates last year.

"We have a total capacity of 3.5 lakh DWT from six ships and would double the capacity by centenary year 2010. Earlier, we had planned to enhance it to one million tonnes by 2010," said Apeejay Shipping CEO Shekhar Mahapatra.

He said the company's plan for \$130 million acquisition of three new vessels remained on track, of which a 57,000 DWT Supramax has already been delivered and the two remaining in 2010 and 2011.

"We are also engaged in selling and purchase of old vessels. Last month we had acquired an old vessel at \$6 million," Mahapatra said.

He said 2008 was best and worst year for the shipping industry. The freight rates for dry bulk cargo had crashed by almost 93% from a historical high.

However, things were improving in terms of freight rates and the Baltic Dry Index was hovering at 2200. Apeejay operates only in the dry bulk cargo segment.

The index tracks the dry bulk cargo freight rates which had hit a high of 11,793 in May and crashed to a low of 815 in November 2008.

Mahapatra said shipping companies with a mix of old and new vessels would be able to stay afloat in the difficult market.

He also said if the index crossed 3,500 then the situation would ease for those shipping lines which have a fleet with a mix of pre-2006 vessels.

Asked whether the credit squeeze in the international debt market would affect financing of the new acquisitions, Mahapatra said the group has tied up with bankers to finance the vessels.