

Sep 26, 2003
(Tradewinds)
Joe Brady Stamford

Players in the Houston lightering scene do not expect Teekay's new 50% stake in Skaugen Petro Trans (SPT) to dramatically alter the competitive balance among the three players in the market.

But the Teekay infusion does give top player SPT ready access to an impressive pool of tonnage -- Teekay is the world's largest aframax owner -- reminding some of the advantages American Eagle Tankers (AET) has traditionally enjoyed with its owned fleet.

However, SPT's Trygve Munthe stresses that the company itself will not get into owning vessels and will continue to charter in third-party tonnage. "We look at the relationship as an advantage but we have always done business with Teekay and will look at their vessels as we would another third-party owner," Munthe said.

Both Munthe and Teekay chief executive Bjorn Moller say they do not expect an immediate impact on market share. "We've always had a good relationship with Skaugen and it will be more of a seamless co-operation now," Moller said. "We can deploy tonnage in their fleet and their access to our fleet will allow Skaugen to optimise its scheduling."

The fact that Teekay has planted a foot in the US Gulf lightering scene can hardly be surprising.

It investigated a purchase of Crowley's Petrolink fleet in 2002. But it went to AET instead. Then it explored an acquisition of AET Petrolink, which was later grabbed by Malaysian International Shipping Corp (MISC) at a steep premium earlier this year.

Moller declines to discuss what made the Skaugen opportunity more attractive than the others but market sources believe the asking prices for both Petrolink and AET Petrolink were bloated.

"I prefer to discuss the present situation, which we think is a natural extension of our existing activities," Moller said. "The lightering trade is really a logistics business and SPT has built a stellar reputation as a leader."

Looking up at the big boys is Per Heidenreich, whose upstart venture Heidenreich Lightering Services Inc (HLSI) has been working to establish a foothold over the past year.

"It has been obvious for some time that Teekay was looking for an entry into the lightering market," he said. "We had questioned what their strategy would be and now we know. It's two great companies coming together."

Still, for HLSI, "it's neither good nor bad", Heidenreich says.

"You have the world's biggest aframax owner and the biggest lightering company joining forces," he added.

"I think there are going to be some people, some customers, who won't think that's a good thing. The type of customer who was going to look at us as an alternative is still going to look at us."