

Media Monitoring

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Chemoil Energy Ltd., the world's largest independent supplier of marine fuels, said as much as "a third" of the industry may close down or be taken over as the global recession reduces trade and shipping.

"You are actually going to see the weaker competitors probably fall off the landscape," Chief Executive Officer Clyde Michael Bandy in an interview in Singapore. There will be a "substantial consolidation among the small to intermediate independent fuel suppliers," he said.

Global trade may decline this year for the first time since 1982, according to the World Bank. The number of ships scrapped this year will likely triple to 1,000, Lloyd's List said on Feb.19, citing Anil Sharma, president of Global Marketing Systems Inc., the world's largest cash buyer of ships.

Singapore-based **Chemoil**, which transports, stores and blends fuel for shipping companies, reported a 15 percent decline in fourth-quarter profit to \$12.3 million today. Its customers include A.P. Moeller-Maersk A/S, the world's largest shipping company, and Taiwan's Evergreen Marine Corp.

The company is considering merger and acquisition opportunities, Bandy said. The company has \$77.5 million in cash and bank balances to fund potential transactions, and may also tap \$2.1 billion in working capital of which less than a third is being utilized, he said.

"I'm seeing more distressed assets that would be available for merger," said Bandy. "You will see a lot of activity from **Chemoil**" in the next 12 months, he said.

Chemoil has also been the subject of possible takeovers, Bandy said.

"We are an attractive company for 10 or 12 different partners out there," he said, without naming the companies.