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Seaship News

Thoresen Thai staunches the red ink (positive)

Bangkok: Thoresen Thai Agencies is staunching the red ink. Net losses of THB 138m for the first quarter of its 2013 fiscal year that ended on 31 December 2012, compared better than the net losses of THB560m during the same period in 2011. On a normalised basis, earnings before interest and taxes (EBIT) rose 187% to THB 20 million from a negative contribution of THB 23 million the previous year.

The net improvement resulted from stronger performances at TTA's three main non-shipping business units including offshore division Mermaid Maritime, as freight rates in the dry bulk shipping industry continued to fall.

Commented TTA executive vice chairman Chalermchai Mahagitsiri, "We see continued evidence of a turnaround, and although the operating environment for dry bulk shipping remained very difficult for the entire industry, gains across our three other core business units helped to cushion the negative effects. These results support our strategic imperative to diversify revenue streams while we wait out a rebound in the dry bulk industry."

As for the outlook, M.L. Chandchutha Chandratat, TTA's president and ceo, said: "Over the next two to three quarters, we do not expect a rebound in global freight rates for dry bulk shipping, so the bulk of contributions will come from our other core business, led by Mermaid which has positioned itself solidly to capitalise on the multi-year cyclical upturn the oil and gas industry has now entered. While we expect a weak second quarter, performance is expected to pick during the second half of the year. At the same time, 2013 promises to be an important year for TTA, in which we make key opportunistic investments in both dry bulk shipping and offshore oil and gas services in order to ensure TTA's future profitability for years to come."