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Trade Winds

Losses lessen for TTA (positive)

Thoresen Thai Agencies (TTA) has reduced its first quarter loss despite bulker rates falling. The Thai company's net deficit was THB 138m (\$4.62m) to 31 December, compared to THB 560m a year ago. Earnings before interest and tax rose 187% to THB 20m. But it was reliant on non-shipping income as bulker rates continued to fall.

Higher margins were recorded at its Vietnam fertiliser business Baconco, offshore vessel unit Mermaid Maritime and its coal logistics operation, Unique Mining Services.

Revenues for the quarter climbed 23% year-on-year to THB 4.18bn, as vessel days increased at Thoresen Shipping and utilisation and day rates improved for Mermaid.

Bulkers lost THB 67m before interest and tax. The fleet's time charter equivalent rate fell to \$7,540 per day, 32% down on 2011, but "still outperforming the relevant industry indices by 12%," it said.

TTA added results would improve modestly in the coming months as its chartered-in vessels are positioned in higher-yielding routes.

Executive vice chairman Chalermchai Mahagitsiri was upbeat: "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."

CEO Chandchutha Chandratat said: "While we expect a weak second quarter, performance is expected to pick up 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."