

Maersk profits, sales fall 33%

COPENHAGEN, DENMARK: Danish conglomerate A.P. Moeller-Maersk reported a drop in net profit and sales in the first quarter of 33% and blamed its performance on the sluggish economies in North America and Europe.



Net profit fell to 4.46bn kroner (US\$771m), but was significantly higher than the 3.4bn kroner forecast by analysts surveyed by Dow Jones Newswires.

Sales dipped by two percent to 79.3bn kroner, which Maersk attributed to the drop in oil prices and difficulties experienced in the shipping sector in western Europe and North America.

For shipping, it said demand was expected to stay subdued in 2013 while capacity will grow significantly. "Accordingly, conditions for the container industry remain challenging and managing supply will be even more important this year," the company said in a statement.

In the oil and gas division, Maersk said it had seen its market share fall alongside the drop in oil prices. Production slid by six percent compared with the first quarter of last year, to 239,000 barrels of oil equivalent a day.

The group maintained its forecast, saying it expected its profit to be lower this year than in 2012, at US\$2.9bn excluding exceptional items and provision.

Source: AFP via I-Net Bridge