

TTA DIVERSIFYING ABROAD

Shipping group Thoresen Thai Agencies aims to expand abroad into logistics and energy to protect profits when freight rates fall. **B8**

TRANSPORT

TTA ventures into energy

Thoresen Thai Agencies Plc, a leading dry-bulk shipper, is looking to expand abroad into logistics and energy businesses as part of a diversification to protect profits when freight rates fall.

The company's earnings dropped sharply last year due to a drop in demand for shipping. Managing director M.L. Chandchutha Chandratat said it expected lower net profit again in the business year that ends in September.

"Freight rates look no better in the second half as China is likely to see slower imports, while the number of dry-bulk vessels keeps rising," he said.

The Baltic Exchange's main sea freight index, which tracks rates for shipping dry commodities, hit a 14-month low on Wednesday.

"That's why we will keep looking to invest in other businesses," he said. "We started the planning in the previous year and the investment should generate significant income over the next two years."

"The deals we are looking at should be worth \$5-20 million each."

Thoresen will report third-quarter earnings in mid-August and expects its net profit to be better than the 451 million baht in the previous quarter due to higher freight rates and a smaller loss from a subsidiary.

For the whole year, it expects net earnings to drop from 1.81 billion baht last year when it booked extraordinary gains, including gains from the repurchase of convertible bonds.

"Our operating profit this year should be flat, or slightly down from about 900 million baht we earned last year," said M.L. Chandchutha.

Thoresen, which mainly ships steel, coal, grain and other agricultural products, has 29 ships with a combined capacity of 29,125 deadweight tonnes.

Its shipping business contributes 60% to 65% of revenue, with the rest coming from energy and logistics.

Thoresen shares (TTA) closed yesterday on the Stock Exchange of Thailand at 23 baht, down 10 satang, in trade worth 122.77 million baht. REUTERS