

Maersk to shift away from shipping

COPENHAGEN, DENMARK: Danish conglomerate A.P. Moeller-Maersk will no longer invest heavily in Maersk Line, the world's biggest container ship operator and will instead focus on its oil, drilling rigs and ports units, it said on Monday (19 November).

"We will move away from the shipping side of things and go towards the higher profit generators and more stable businesses," chief executive Nils Andersen told the *Financial Times* as he announced a major shift in strategy for Maersk.

Last year, Maersk Line posted a net loss of US\$540m, while the oil division reported a profit of US\$2.1bn, the drilling unit earned US\$495m and ports made US\$649m.

Maersk's container business has been affected by a slowdown in routes between Europe and Asia, where it has cut capacity this year amid a volatile outlook for the industry.

The group said earlier this month it expected global demand for seaborne containers to rise by 3.0% this year, which was lower than the 4.0% stated in the second quarter.

Maersk Line is the group's main subsidiary, which holds 16% of the global market share. It said it expects a "modest positive result" this year after freight rates rose in the second half of the year.

A.P. Moeller-Maersk more than tripled its net profit to 5.15bn kroner (US\$880 million) in the third quarter, somewhat lower than what analysts had expected.

Source: *AFP* via I-Net Bridge