

**AP Moller-Maersk AS**

## Maersk says global trade growth spiked in first quarter

Conglomerate records revenue growth for first time in more than 2 years



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7 HOURS AGO by: **Richard Milne**, Nordic Correspondent

Global trade growth of 5 per cent surprised positively in the first quarter of this year, giving hope for an improving economic recovery, according to the head of the world's largest container shipping line.

Soren Skou, chief executive of Danish conglomerate [AP Moller-Maersk \(http://markets.ft.com/data/equities/tearsheet/summary?s=dk:MAERSK%20B\)](http://markets.ft.com/data/equities/tearsheet/summary?s=dk:MAERSK%20B), said global demand for containers — a proxy for trade growth — was at its highest level in years in the first quarter.

“It’s a very strong quarter for global trade. Five per cent is significantly above global [gross domestic product] growth. It’s driven by strong growth in Europe, and continued strong growth in the US,” he told the Financial Times.

Global trade growth has been sluggish ever since the 2008-09 financial crisis. That has hurt container shipping lines — of which the Danish group’s Maersk Line is the largest — with annual growth falling from more than 10 per cent before the crisis to 1 to 3 per cent

in recent years. Maersk recorded only its second ever [loss \(https://www.ft.com/content/34d9e7e0-ed4-11e6-930f-061b01e23655\)](https://www.ft.com/content/34d9e7e0-ed4-11e6-930f-061b01e23655) since the second world war in 2016.

Maersk Line still made a [loss \(http://files.shareholder.com/downloads/ABEA-3GG91Y/4327425061x0x942436/5293868E-1228-4843-B14A-15C21C6B0E07/Maersk\\_Q1\\_2017\\_Interim\\_Report.pdf\)](http://files.shareholder.com/downloads/ABEA-3GG91Y/4327425061x0x942436/5293868E-1228-4843-B14A-15C21C6B0E07/Maersk_Q1_2017_Interim_Report.pdf) of \$66m in the first quarter of 2017 as a [rise \(https://www.ft.com/content/34dbccco-a0d9-11e6-86d5-4e36b35c3550\)](https://www.ft.com/content/34dbccco-a0d9-11e6-86d5-4e36b35c3550) in freight rates from record lows last year was offset by an 80 per cent jump in fuel costs.

But the group stuck to its full-year forecast of a profit of more than \$616m at Maersk Line as a sign of its confidence in improving shipping markets.



Maersk reported a group net profit of \$253m in the three months to March 31, up 13 per cent compared with the same period last year.

Mr Skou was cheered by Maersk recording revenue growth for the first time in 10 quarters as sales increased 5 per cent to \$9bn.

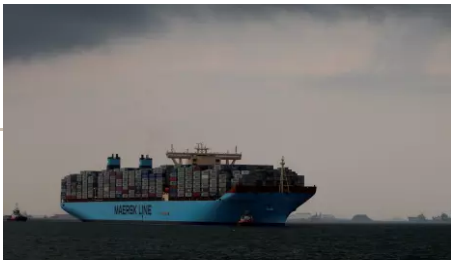
“The important thing for me is that we delivered revenue growth. It’s consistent with us becoming a growth company again,” he added.

Maersk is due to add more than \$5bn in annual revenue with the [planned acquisition \(https://www.ft.com/content/5f38192e-b7a9-11e6-ba85-95d1533d9a62\)](https://www.ft.com/content/5f38192e-b7a9-11e6-ba85-95d1533d9a62) of Hamburg Sud, the German container shipping line.

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Maersk is in the middle of its most [radical transformation](https://www.ft.com/content/6fe125a4-8095-11e6-8e50-8ec15fb462f4) (<https://www.ft.com/content/6fe125a4-8095-11e6-8e50-8ec15fb462f4>) as the group splits off its energy-related businesses including oil exploration and production as well as drilling rigs.

Ironically, Maersk's performance in the first quarter was helped by the oil business in particular, which posted a profit of \$328m.

Mr Skou, who is also head of Maersk Line, denied this called into question the [justification](https://www.ft.com/content/441d733c-7f41-11e6-8e50-8ec15fb462f4) (<https://www.ft.com/content/441d733c-7f41-11e6-8e50-8ec15fb462f4>) for the break-up.

“Absolutely not . . . We are not in any way

reconsidering that,” he added.

Maersk Line stuck to its expectations for container demand to increase by 2 to 4 per cent this year as Mr Skou said that despite the optimism of the first quarter “it is really hard to have a lot of visibility”.

He said he remained worried about “any rhetoric that would lead to more protectionism” after a [leaked report](https://www.ft.com/content/60b30712-fe0f-11e6-96f8-3700c5664d30) (<https://www.ft.com/content/60b30712-fe0f-11e6-96f8-3700c5664d30>) from the new Trump administration said it was preparing to ignore any rulings by the World Trade Organisation that it views as an affront to US sovereignty.

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