
ABB announces 2010 financial outlook

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The outlook for ABB's businesses over the rest of 2009 and into 2010 remains uncertain. The need for energy efficient power infrastructure remains in all regions, supported by political measures to address climate change and increasing demand for renewable power generation. Demand in ABB's industrial end markets depends to a large extent on GDP growth and capital spending, together with commodity prices. Customers' need to steadily improve energy efficiency and productivity also drives orders. Increasing commodity prices generally support ABB's industrial businesses as they promote customer investment in capacity expansion.

However, it remains unclear when and how quickly capital investments by customers will recover from the downturn. In addition, the volatility of raw material prices and the limited availability of project funding continue to influence the timing of many power and industrial investment decisions, especially among small to medium sized companies.

Therefore, management's priority for the next several quarters will be to ensure that the company has the flexibility to respond quickly to changing market conditions, taking advantage of its global footprint, strong balance sheet and leading technologies to improve its cost competitiveness while simultaneously tapping further opportunities for profitable growth.

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