

Record USD 37.2bn Carrier EBIT in 2021-Q3

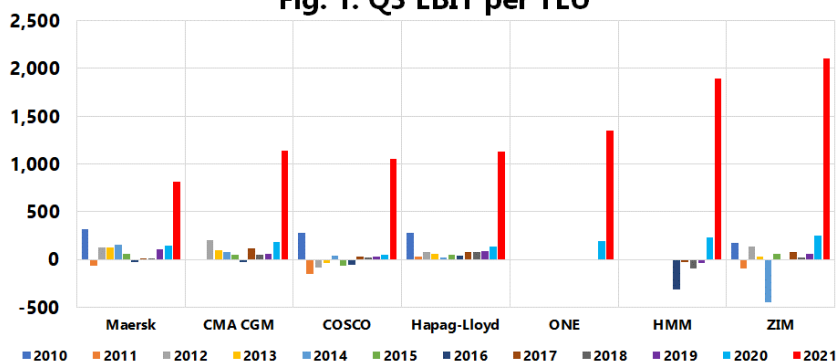
In issue 542 of the *Sunday Spotlight* we analysed the 2021-Q3 financial and volume performance of the global shipping lines that publish these figures on a quarterly level.

All global shipping lines saw revenues increase substantially as a consequence of the record-high freight rates, with Y/Y revenue growth ranging from +83.9% for Maersk to +274.1% for Wan Hai.

In terms of EBIT, the shipping lines made a whopping USD 37.24bn in operating profit in 2021-Q3 alone. Combine this with the 2021-1H operating profit of 42.10bn, and the carriers have made nearly USD 80bn in operating profit so far this year. And note that this does not include MSC, the currently second largest (and soon-to-be largest) carrier, which as a privately held company is not required to publish their accounts.

To put this into perspective, the combined 2010-2020 operating profit across all quarters was USD 37.86bn. In short, the industry has doubled its operating profit in three quarters of 2021 compared to the entire 2010-2020. This is an unprecedented level of profitability.

Fig. 1: Q3 EBIT per TEU



The absurd nature of the current supply/demand and freight rate environment is clearly evident in figure 1, with the 2021-Q3 EBIT/TEU figure of each of these shipping lines a clear outlier compared to the historical figures. The smallest EBIT/TEU

was recorded by Maersk of 818 USD/TEU, while the remaining carriers all recorded EBIT/TEU of over 1,000 USD/TEU, with ZIM recording an EBIT/TEU of 2,100 USD/TEU.

What sheds even more light on the strength of the freight rates, is that a large number of carriers have seen their Global, Transpacific, and Asia-Europe transported volumes contract Y/Y, which means that the exceptionally strong EBIT performance for all carriers was driven by strong freight rates.

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