

# The supply-chain crisis propelled the world's largest shipping company to its most profitable quarter in 117 years

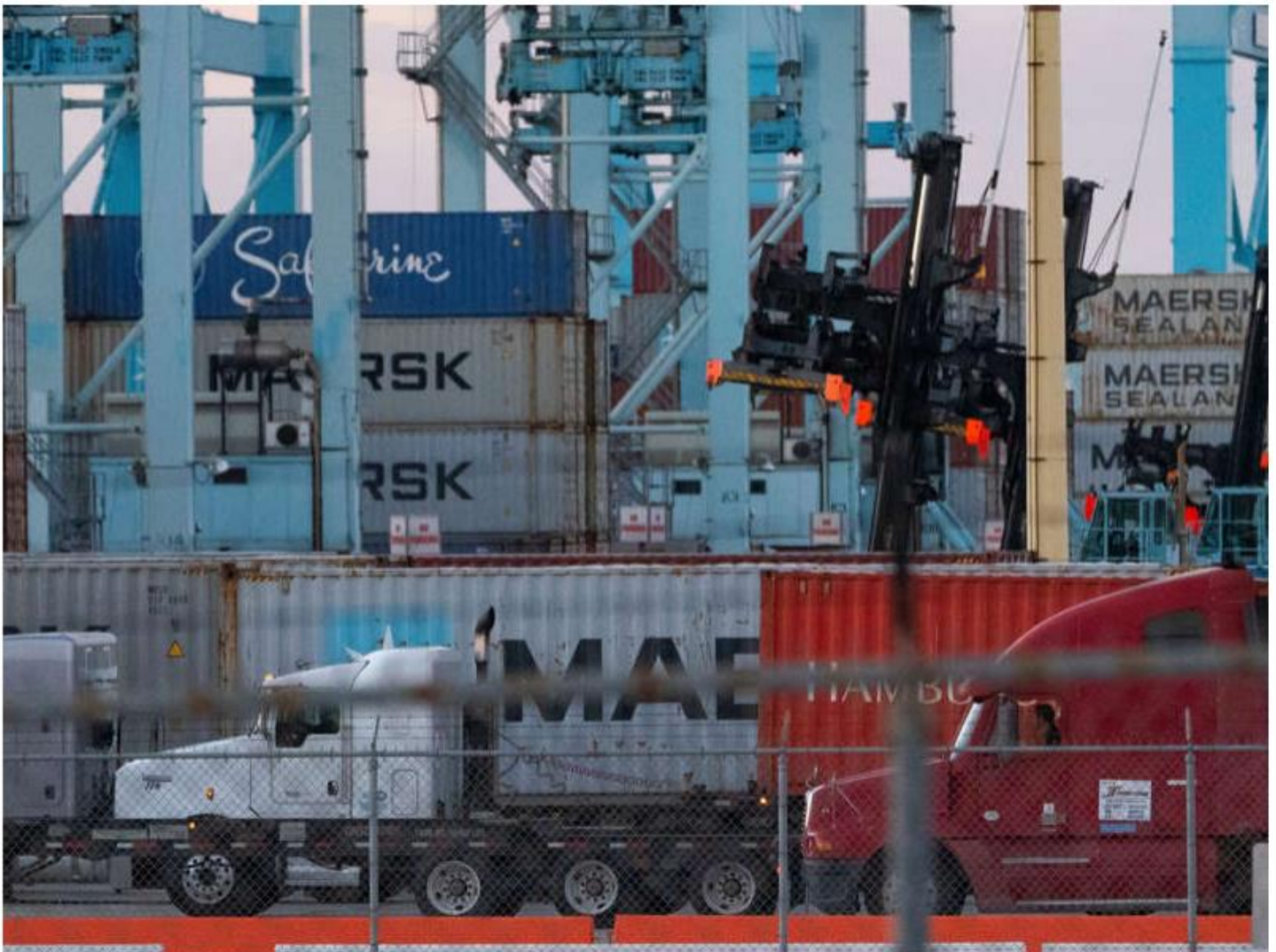
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- Maersk announced its most profitable quarter in its 117-year history on Tuesday.
- The shipping company benefited from record shipping rates as port delays snarled the supply chain.

- Maersk CEO Soren Skou said he sees no end in sight for the shipping crisis.

Maersk, the world's largest shipping company, posted its most profitable quarter in its 117-year history on Tuesday.

Shipping companies have been one of few players in the supply chain to benefit from the shipping crisis, as hundreds of ships wait weeks to dock and unload at key ports across the world.

"The whole system has become one gigantic bottleneck," Maersk CEO Soren Skou told reporters.

The Danish company more than quadrupled its operating profits to \$5.9 billion in its third quarter. The high profits were in part driven by bottlenecks at key ports, as well as surging demand which has led to record container freight rates. Over the past year, the cost to ship a 20-foot container from Asia to the US has climbed to over \$20,000, according to the Drewry World Container Index.

### Video: Shipping Crisis and Supply Chain Problems Expected To Last Much Longer (MSNBC)



Skou told the Financial Times that the company does not see an end in sight to the shipping crisis.



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"The ports are not working as well as they should do, so we can't discharge containers as fast as we would like," Skou said. "It's hard to see exactly when the situation will improve. Our customers are dealing with super high customer demand, and on top of that they have very low inventory."

Skou told reporters that the biggest obstacle to the flow of goods is the labor shortage, in particular a lack of truck drivers. The company said it has added capacity throughout the year, but many of its ships are stuck waiting outside of ports.

"The issue is not really a lack of ship capacity," Skou told Bloomberg TV, adding that over 300 ships are waiting outside of ports. "The issue is that the ship capacity is being used up by waiting outside ports, and we need to solve the labor problem in the ports in order for supply chains to be better."

As more companies look for ways to avoid port delays, Maersk said it is also spending over \$1 billion to expand its air freight options. The shipping company is buying freight-forwarder Senator International, as well as purchasing and leasing five new aircrafts in addition to the 15 it already operates.

The shipping company said it expects its fourth quarter to be equally as profitable, as shipping rates and consumer demand shows no signs of falling back down anytime soon. Maersk expects to post a gross profit between \$6 billion and \$7 billion in the next quarter.

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