



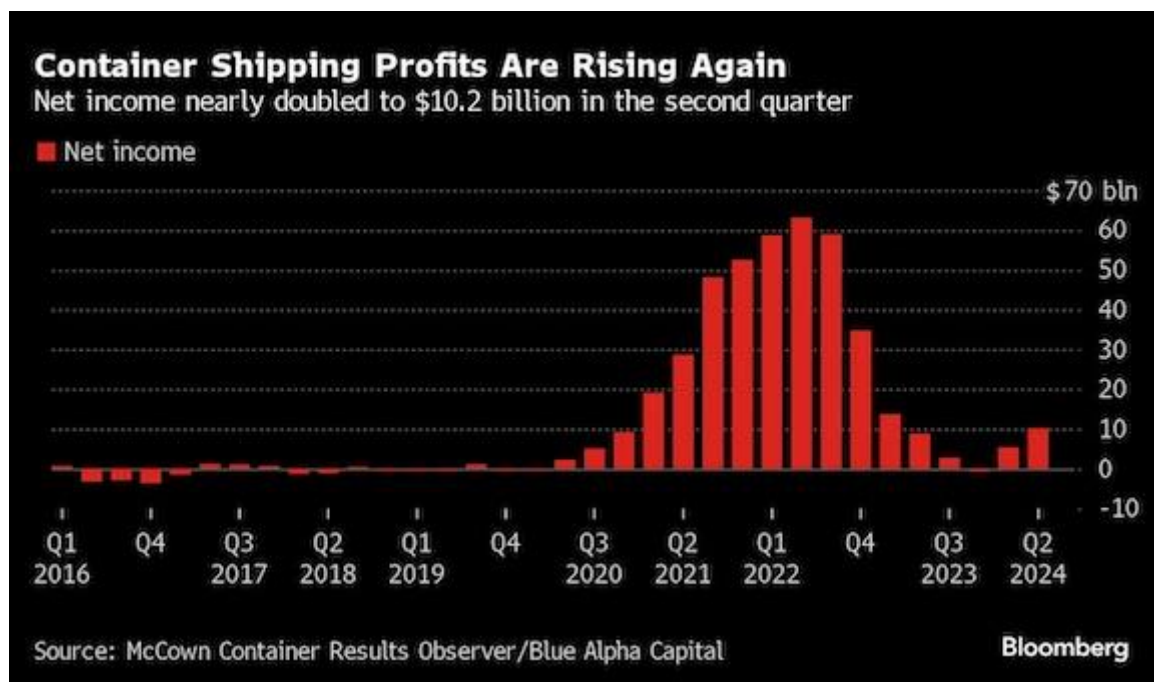
Container carrier profits soar on record volumes, higher rates

Brendan Murray | Sep 01 2024 at 07:07 PM | [Maritime](#) | [Liner Shipping](#)

The global container shipping industry saw profits surge to more than \$10 billion in the second quarter on record volumes and rising freight rates after Red Sea diversions, according to a new analysis.

Net income for the world's major container carriers, including Denmark's A.P. Moller-Maersk A/S and China's Cosco Shipping Holdings Co., almost doubled from the first three months of the year and topped the \$8.88 billion haul from the second quarter of 2023, according to a report released Saturday by industry veteran John McCown.

Profit for the current quarter may also be set to show another "material increase" given how well the market for international goods trade has been holding up, he said.



Fortunes in the industry, which transports 80% of global merchandise trade, boomed during the pandemic amid strong consumer demand and Covid-related disruptions to supply chains, before notching a collective loss again in the final quarter of 2023, according to McCown's tally.

Now, shipping lines are again benefiting from positive supply and demand factors and profits are rebounding, although they're still far below the pandemic peaks.

Capacity has tightened as Houthi attacks in the Red Sea force vessels to take longer routes around southern Africa. That's helped pushed up spot container rates and contributed to congestion at some major ports.

Despite those difficulties, volumes globally reached an all-time high last quarter of 46.4 million units measured in 20-foot containers, exceeding the prior record of 46.2 million from the second quarter of 2021, according to figures from Container Trades Statistics Ltd, cited by McCown.

Demand has been especially strong in the US, where retailers and other importers are stocking up at warehouses amid worries about new tariffs on Chinese goods and a possible dockworkers strike at East and Gulf Coast ports.

“A coast-wide strike, or even a strike at key ports, would be highly disruptive to container networks at all of the larger carriers and would quickly spread beyond just lanes involving the US,” McCown said in the report.



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