



Maersk raises profit forecast as Red Sea disruption boosts rates

By: Christian Wienberg | Jun 03 2024 at 02:32 PM | [Maritime](#) | [Liner Shipping](#)

A.P. Moller-Maersk A/S, a bellwether for global trade, raised its full-year profit forecast, saying the congestion in the Red Sea is having a larger than previously expected impact on the world's supply lines, which in turn is boosting freight rates.

Maersk now sees underlying earnings before interest, tax, depreciation and amortization at \$7 billion to \$9 billion this year, compared with a previous forecast of \$4 billion to \$6 billion, the Copenhagen-based company said on Monday. Analysts expected \$5.86 billion on average in estimates compiled by Bloomberg.

It's the second time in about a month Maersk raised its forecast as the world's supply lines are suffering from a number of disruptions, with the biggest coming from Houthi militant attacks in the Red Sea. The disruptions have cut container line transits through the Suez canal by about 80%, according to Bloomberg Intelligence. Maersk said on Monday that it also sees signs of further port congestions, especially in Asia and the Middle East, which is causing rates to soar.

"This development is gradually building up and is expected to contribute to a stronger financial performance in the second half of 2024," Maersk said.

The extra vessel capacity needed to sail around Africa is boosting freight rates at a time when the market was entering a post-pandemic slump with ship supply exceeding demand.