

# Amazon posts another jump in sales but warns of 'billions' of additional Q4 costs

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**Amazon has warned investors it is expecting to incur “several billion dollars of additional costs” due to labour shortages, increased wage costs and global supply chain issues.**

The firm posted third quarter sales of \$110.8bn (£80bn) in the three months to end of September, a 15 per cent jump year on year.

Amazon said the labour and supply issues would be “expensive for us in the short term” but was the “right prioritisation for our customers and our partners.”

Despite the increase in sales, the company’s operating and net income decreased to \$4.9bn and \$3.2bn respectively.

“We’ve always said that when confronted with the choice between optimising for short-term profits versus what’s best for customers over the long term, we will choose the latter— and you can see that during every phase of this pandemic,” said Amazon’s chief executive Andy Jassy.

According to Allyson Stewart-Allen, chief executive at International Marketing Partners, labour and supply chain issues will not be the only challenges the company need to face, as privacy issues become a major thorn in Amazon’s side.

“While Amazon continues to see top line growth across its divisions, its latest challenge includes tackling the ‘brushing’ scandal, where consumers are sent unsolicited packages by sellers on its platform in order to look more successful than they actually are,” she told City A.M.

“While many of these senders are based in China, the UK consumer may well wonder why and how their details have been obtained without permission.

“Privacy and transparency are very important to online shoppers and users thanks in part to Facebook whistleblowers. It’s only a matter of time before Amazon is in the spotlight.”



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