

# Amazon reports record profits in last quarter of 2020

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According to Amazon's latest financial disclosures, the giant international conglomerate recorded unprecedented profits and revenue in the last three months of 2020, as the pandemic sent its sales soaring, and the company continued expanding its operations around the globe.

In these disclosures, made available last month, Amazon reported a fourth-quarter profit of \$7.2 billion, more than double what was expected by analysts. This raised its 2020 full-year profits to \$21.3 billion, the highest level in company history. This compared to \$17.4 billion in 2019 and \$13.2 billion in 2018.

For hundreds of millions of people, the coronavirus pandemic has been an extreme hardship and an economic disaster, punctuated by funerals of loved ones and other tragedies. But for the corporate-financial oligarchy in control of giant corporations like Amazon, it has been a cash bonanza like nothing they have ever seen before.

Amazon posted \$125.6 billion in fourth-quarter revenue, up 44 percent from the same quarter the previous year. While Amazon Web Services, its cloud computing arm, accounted for 63 percent of 2020 profits, Amazon's retail operations made up the vast majority of its sales, which totaled \$386 billion last year.

This is the same company that viciously canceled its measly \$2 per hour coronavirus hazard pay for workers at the end of May of last year. The huge profits now revealed to have been raked in by the company vindicate the sentiments of workers at the time, including one worker who told the *World Socialist Web Site*, "They can more than afford to let us keep it permanently."

Indeed, to put Amazon's profits in perspective, dividing the \$21.3 billion in full-year earnings from

2020 by the global workforce comes out to over \$16,000 per worker. In other words, the company could have written a check for \$16,000 last year to each and every one of its 1.3 million Amazon employees worldwide—and still would have had money to spare.

This money reflects the real value of the labor of "essential workers" at Amazon, who risk their lives to provide critical services during the pandemic, ensuring the delivery of goods as workers and families quarantine themselves to try to limit the spread of the deadly virus. This money was extracted from workers through capitalist relations of production and has accumulated in the bank accounts of the oligarchs and Wall Street funds that own and control the conglomerate.

Notwithstanding the mounting and explosive anger among its giant workforce, the company continues to enjoy an extraordinarily high market capitalization, with stock prices currently at \$2,951.95. While this number has dipped somewhat since last month, it still gives the international conglomerate a total market capitalization of around \$1.5 trillion. The rise in share prices last year added \$70 billion to the private fortunes of Amazon founder Jeff Bezos, already one of the richest people on the planet.

Amazon's profits soared into the stratosphere in the midst of a pandemic that has claimed hundreds of thousands of lives in the US, accompanied by mass unemployment and general economic devastation. Its profits piled up as demands from Amazon workers intensified for safer working conditions, sane work speeds, livable wages and prompt information on coronavirus infections in their workplaces.

Like the murderous policy of a "safe reopening" of schools, Amazon covered up its refusal to slow or stop operations behind minimal and cosmetic safety

procedures, such as requiring workers to wear masks. The company also refused to promptly disclose information indicating how many workers have become infected, in an effort to lull workers into a false sense of security.

By last October, the company revealed that, by its internal count, there had been 19,816 presumed or confirmed COVID infections among its frontline workers at warehouses and Whole Foods locations in the US alone.

Given the poor record of testing and tracing within the US since the start of the pandemic, with some public health experts estimating that the true level of community spread to be as much as 10 times the number of confirmed cases, the number of infections at Amazon warehouses given by the company is no doubt substantially lower than reality.

Amazon's workers largely remained at their stations throughout the pandemic, being subjected to frantic speedups to meet the demand for home delivery of internet purchases. In conversations with WSWS reporters, Amazon workers reported that social distancing measures are arbitrarily and inconsistently enforced, when they are enforced at all, due to the nature of warehouse work.

This exploitation has led to repeated tragedies. On March 1, 48-year-old Paul Vilscek jumped to his death at the LAS7 fulfillment center in Las Vegas while his co-workers watched in horror. On January 8, 38-year-old Poushawn Brown died suddenly of unexplained causes after working as a coronavirus tester at the DDC3 warehouse in Springfield, Virginia.

Awash in cash, Amazon is now expanding its operations in other areas of the economy. In a Securities and Exchange Commission filing Monday, the cargo airline Air Transport Services Group reported that Amazon had purchased a minority stake in the company. Amazon already owns a minority stake in the only other major cargo airline used by Amazon, Atlas Air, and is developing its own air service called Amazon Air.

The conglomerate has extended its reach into consumer products, streaming video and music, prescriptions and telehealth, books and e-books, smart devices and voice assistants, cloud computing services, groceries and other logistics operations, among others. In the last two years, it has increasingly invested in its

own delivery operations by aggressively expanding its network of fulfillment and sorting centers, delivery stations and other facilities.

Amazon's sprawling influence also extends to robotics, electric vehicle companies such as Rivian, autonomous vehicle startups like Aurora Partners and delivery robots called Amazon Scout that are being tested in Southern California and could be rolled out elsewhere in the near future. Amazon Kuiper is creating a satellite network capable of delivering high-speed internet.

Additionally, it serves as the e-commerce platform for over 2.5 million third-party vendors selling millions of items. With so many interests across crucial sectors of the economy, Amazon has faced growing criticism over its monopolistic behaviors. But politicians in North America, Europe and India, while occasionally offering various denunciations of the company, have not taken any significant actions to counter Amazon's meteoric growth or its exploitative practices.

Amazon warehouses have been found to have twice the rate of serious injuries per 100 employees compared to the industry average. A major factor in these injuries is management's fanatical insistence on speed, with workers in some cases expected to perform a task every six to nine seconds. Like the number of officially reported cases of the coronavirus, the tally of reported injuries is surely an undercount.

Earlier this year, Amazon agreed to pay a \$61.7 million settlement to the Federal Trade Commission over claims it withheld tips from its Flex delivery drivers, who are categorized as independent contractors and deliver for Prime Now and Amazon Fresh. Starting in 2016, the company had been taking its drivers' tips to pay a portion of their delivery rates, and only halted this practice after becoming aware that the FTC was investigating the matter.

In light of Amazon's giant revenues and expanding operations, the settlement is such an insignificant sum that it will not leave so much as a dent in the company's annual profits or future plans.



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