

### Red Sea crisis boosts ONE in Q4, forecasts billion profit in FY2024



**A rise in freight rates in Q4 FY2023 due to geopolitical tensions in the Middle East pushed Ocean Network Express (ONE) back into the black, and it is forecasting a profitable FY2024.**

Marcus Hand | Apr 30, 2024

ONE reported a Q4 profit for the period 1 January – 31 March 2024 of \$356 million, compared to loss \$83 million in the previous quarter. The turnaround in financial fortunes in Q4 saw the shipping line report a full year profit of \$974 million for FY2023.

Despite the upturn in Q4 profit FY2023 profit was still 94% down on FY2022 which was powered by supply chain disruption from the pandemic and resulting record container freight rates.

**Related:** [ONE delays restart of Asia – US East Coast service due to Red Sea crisis](#)

The influx of new tonnage had caused market conditions to decline up to the end of calendar year 2023, however, rerouting via the Cape of Good Hope reversed the demand and supply situation and short-term freight rates rose significantly in Q4 FY2023.

With the improvement brought by Cape of Good Hope rerouting to the demand and supply imbalance ONE is forecasting a slight improvement on FY2024 profit at around \$1 billion.

**Related:** [ONE sets out 2025 Transpacific service network](#)

“With the increase in supply caused by the influx of the large number of new vessel deliveries, supply will continue to exceed cargo demand. Meanwhile, the routing via the Cape of Good Hope due to the uncertain situation in the Middle East is expected to have a significant impact on the supply-demand balance during the first half of the fiscal year, leading to high demand for vessel capacity,” the company said.

With the current demand and supply balance expected to continue Jeremy Nixon, CEO of Ocean Network Express said, “We will continue to monitor the situation carefully, focusing on maximizing profit by flexible tonnage deployment and efficient equipment control based on demand.”