

## Mixed margins as container lines net \$26.8bn in Q3

Container line profits rose again in the third quarter, continuing a steep growth trend for 2024.

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Image: Medlog

Container lines reported net profits totalling \$26.8bn in the third quarter of 2024, according to analysis by John D McCown, the third quarter of exponential growth for the sector.

The third quarter result was a 164% increase over the second quarter this year, and more than eight times the \$2.8bn recorded in the Q3 2024. The performance in 2024 is a reverse of the trend seen in 2023, when profits fell through the year as post-pandemic disruption eased, ending in a \$700m loss in the fourth quarter.

Rates in 2024 have been supported by disruption in the Red Sea causing lines to divert ships around the Cape of Good Hope rather than the shorter [Suez Canal](#) route, soaking up growing fleet capacity.

Demand for container shipping has also increased, said McCown: “The third quarter saw a 4.7% year-over-year increase that followed even stronger 6.2% and 8.2% increases in the second and first quarters.

“This biggest volumes growth since the pandemic has led to 3Q24 being the largest worldwide volume quarter ever.”

There remained a wide range in margins reported by individual lines in the third quarter, a range that has grown over the past year. Net profit to revenue margins ranged from 49.0% at the high end and 17.2% on the low end, with an average of 28.0%. [HMM](#) topped the margin leader board, with [CMA CGM](#) bottom of the table.

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Overall, noted McCown, European carriers reported margins double digits below their non-European competitors.

Looking ahead, McCown noted two potential disruptors for container shipping in early 2025, the International Longshoremen's Association (ILA) dockworkers labour dispute on the [US](#) East Coast, and the threat of a hike in US import tariffs in the US. ILA and United States Maritime Alliance, Ltd. (USMX) reached a tentative agreement on wages in September, ending a three-day strike in by extending the current contract through January 15.

President Elect Donald Trump has threatened to introduce tariffs of up to 20% on imports, and up to 60% on imports from [China](#). During his first presidency, China and the US engaged in tit-for-tat tariffs on imports ranging from soybeans to chemicals.