

AS ONE, WE CAN.

**ONE**  
OCEAN NETWORK EXPRESS



# CEO INSIGHTS

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## Bracing for rough seas ahead

As the world enters the fourth month of the coronavirus (COVID-19) pandemic, and the epicenter of the disease has started to shift from Europe to the USA, uncertainty has gripped many parts of the world.

Here in Singapore where ONE is headquartered, we're still experiencing ongoing challenges, which has prompted the government to [implement a partial lockdown](#), closing down schools and most workplaces for a month.

Despite our earlier coronavirus response efforts, which were hailed as a "[gold standard](#)" of how to bring an outbreak under control, the recent spike in cases underscored how easily the virus can spread even with social distancing measures in place.

It's no wonder that some analysts are therefore predicting losses of up to [17 million teu of cargo](#) for the container shipping industry this year, similar to the 2009 global financial crisis. At times like these, it may feel like the road towards post-coronavirus recovery will be a long and arduous one. But just like the SARS epidemic in 2003, I am sure we will all overcome this.

### Keeping supply lines open

In early April, the International Monetary Fund (IMF) called on countries to enact "[wartime](#)" measures for households, businesses and the financial sector to fight the coronavirus pandemic. As in any war, cutting the enemy's supply lines is one of the surefire ways of ensuring victory, which goes to show the importance of keeping our global trade and supply chains intact during this challenging time.

Ships and containers must be able to trade freely with minimal port and inland restrictions to ensure supply lines of essential products and commodities don't freeze up while humanity and our economies battle the coronavirus around the globe.

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This will be key to maintaining the flow of food, medicine and key commodities to those countries that need it most, while balancing it with sensible containment policies to stem further spread of the virus. Let us also not forget the professionalism and welfare of our seafarers who are also out there on the frontline.

### **Building resilience in the shipping industry**

Quarantines and lockdowns in many parts of the world have created new ways of working, challenging us to adapt to maintain a high level of operational readiness for our business.

We've seen it happening across our global business. From ensuring minimal disruptions to our daily operations through excellent e-commerce and e-payment tools, to connectivity tools like Dialpad, Google Hangouts and a variety of instant messaging applications which enable us to respond to customer needs from any part of the world, to livestreaming services which has substituted traditional face-to-face client meetings.

At an industry level, experts are expecting this health crisis to [spur a change in technological headwinds](#) across the container shipping sector. This includes:

- Increasing investment in freight technologies as well as companies providing data analysis, artificial intelligence software and overall end-to-end supply chain management
- Growth in the autonomous transportation sector which will pave the way for autonomous shipping
- Further evolution of e-commerce into a largely tech-savvy industry with cargo drones, 3D printers and robotics at its disposal

While the pandemic could become a key catalyst for digital and technological advancements in the shipping industry, at the end of the day we are a business powered by people. A strong, resilient and reliable workforce forms the backbone of our business. Technology simply enables and empowers our people to do more for our valued customers.

### **Weathering through the storm together**

Container shipping lines have grown resilient to disruption in recent years, as we've often been forced to adapt to unexpected forces such as trade wars, port lockdowns, and health crisis like the spread of COVID-19.

But the financial shocks that we're experiencing now and in the coming months will expose vulnerabilities across many liner operators. This is especially true in a year where the entire maritime industry is already expecting a huge disruption due to new fuel regulations under IMO 2020.

Despite slumps in revenue across our entire industry, ONE remains fully operational and optimistic towards a strong recovery in the post-coronavirus environment. We have strong cash reserves, minimal debt and a resilient workforce to tide us through this unprecedented public health crisis together.

These are challenging times for many of us. In the face of a global pandemic, we must all work to support and assist each other as much as possible in our key role as servants of global trade. One point I know is true: one of our industry's greatest strengths is its collective experience and resilience. Take care and stay safe.

Jeremy Nixon,

CEO, Ocean Network Express Pte. Ltd.

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