

The Shipping Industry Is Enjoying Record-Breaking Profits While It Lobbies The Senate Against Bipartisan Legislation To Stem Supply Chain Crisis Profiteering

SUMMARY: The overseas shipping industry has "[never been more profitable](#)" despite "[massive shortages](#)" and a lingering supply chain crisis, making over [nine times](#) what it made in 2020 thanks to the [record-breaking fees](#) it has been charging, often for goods that are idly [waiting](#) at ports and terminals. Meanwhile, average Americans are being [squeezed](#) by higher prices on food, gasoline, housing, and healthcare.

Exporters and importers that rely on these shipping companies have been "[pleading](#)" with regulators to put a rein on the industry, which is "[dominated](#)" by just 10 companies that cooperatively control [85%](#) of the market and has been called "[a loose oligopoly](#)" by the United Nations.

Making matters worse, economists have warned that the shipping industry's exorbitant fees are "[stoking inflation](#)," with one federal official noting that they contribute significantly to long-term core inflation rates.

The [Ocean Shipping Reform Act of 2021 \(OSRA\)](#), a bipartisan bill to reform shipping laws and help combat high fees, [easily passed](#) the U.S. House in December 2021 and [drew praise](#) from President Biden. But before the bill was even introduced, it was panned by the World Shipping Council—which represents the world's [biggest shipping companies](#)—for being based on "[unworkable, unnecessary, and duplicative proposals](#)."

After OSRA passed the House, the World Shipping Council's President and CEO called on the Senate to "[take a more careful and targeted approach](#)" as he called the bill "[a political statement](#)." Meanwhile, the World Shipping Council [had hired](#) a [lobbyist](#) known for his "[strong ties in the Senate](#)" to begin influencing lawmakers against the bill, which it [criticized](#) as being based on "unworkable, unnecessary and duplicative proposals." This lobbyist has personally given [\\$15,000](#) to Senate Republican Leader Mitch McConnell (R-KY), whose wife former [Trump Transportation Secretary](#) Elaine Chao [used her office to benefit](#) her family, which owns shipping company the Foremost Group.

The massively profitable shipping companies that would benefit from the World Shipping Council's Senate lobbying are:

- **Matson Inc.**, the [largest U.S. shipping company](#) and the tenth-largest in the world as of 2020, reported a [299% year-over-year increase](#) in its Q3 2021 net income and bought back [\\$115.7 million](#) in stock, even as its CEO acknowledged that the supply chain from China was "[in chaos](#)."
- **Mærsk**, which transports about [a fifth](#) of the world's shipping containers, saw its Q3 2021 profits quintuple year-over-year due to "[dramatically](#)" higher freight costs and was expected to [profit over \\$17 billion](#) in 2021, even as it spent about [\\$4.6 billion](#) on acquisitions and announced a [\\$5 billion](#) stock buyback program.
- The president of **NYK Line** touted a "[favorable tailwind](#)" as he projected a "[record-high](#)" recurring FY 2021 profit valued at roughly \$6.2 billion, while the company benefited from "[higher freight rates](#)."
- **COSCO Shipping Holdings** saw Q3 2021 net profit jump over [ten times](#) as high as in Q3 2020 and its container shipping division net profits skyrocketed [1603% to \\$12.5 billion](#).
- **Mitsui O.S.K. Lines** said "[profit increased sharply](#)" due to high freight rates despite port congestion, reported a Q2 2021 ordinary profit that was [8.3 times higher](#) than in Q2 2020 and projected paying [5.3 times more](#) shareholder dividends in FY 2021 than it paid in FY 2020.

- **Hapag-Lloyd** took more net profit in the first six months of 2021 than in the [previous 10 years combined](#) and it expected operating profit to [multiply four-fold](#) in its FY 2021, all while giving [primary credit](#) to higher freight rates.

The Shipping Industry, "Dominated" By Just 10 Companies That Control 85% Of The Market, Has "Never Been More Profitable" Despite "Massive Shortages," Thanks To Its Record-Breaking Freight Fees.

The Shipping Industry, "Dominated By A Handful" Of 10 Companies That Control 85% Of The Market, Enjoyed Record Profits Amid "Massive Shortages" And Rising Inflation While Small- And Medium-Sized Businesses Have Struggled Against High Freight Costs, Which Have Quadrupled.

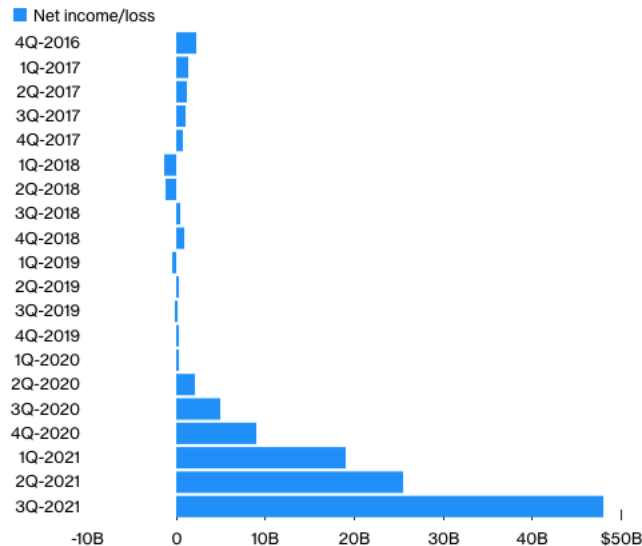
The Shipping Industry, "Dominated By A Handful Of European And Asian Players," Enjoyed "Record Profits" Even As A "Logistics Knot" Resulted In "Massive Shortages" Of Goods And Rising Inflation. "The business dominated by a handful of European and Asian players now finds itself at the center of a logistics knot that shows few signs of improving, contributing to the highest inflation rate in the U.S. since 1990 and triggering massive shortages of such diverse items as medical supplies, semiconductors, tires and toys." [Los Angeles Times, [11/10/21](#)]

- **Headline: Supply chain crisis gives once invisible shipping industry record profits and new adversaries** [Los Angeles Times, [11/10/21](#)]

Shipping Carriers "Have Never Been More Profitable," Making About \$150 Billion In 2021, Over Nine Times What They Made In 2020. "Ocean-freight carriers pulled in estimated profits of \$150 billion in 2021 — a nine-fold annual jump after a decade of difficulty eking out any gains." [Bloomberg, [01/18/22](#)]

Turning the Tide

The world's biggest container carriers have never been more profitable



Source: John McCown/Blue Alpha Capital

[Bloomberg, [01/18/22](#)]

Just 10 Shipping Container Companies "Control Nearly 85% Of The Capacity For Shipping Goods By Sea." "Just 10 container lines based in Asia and Europe, led by Maersk, MSC, France's CMA CGM SA, and China's Cosco Shipping Holdings Co., control nearly 85% of the capacity for shipping goods by sea. Twenty-five years ago, the top 20 companies controlled about half of the global capacity." [Bloomberg, [01/18/22](#)]

"Extraordinary Earnings" Were Reported By "Shipping Giants" Like Maersk, CMA CGM, Hapag-Lloyd, And Cosco, Which Were "On Track" To Earn "A Decade's Worth Of Gross Profit In Just One Year." "It hasn't been bad for everyone. The cascade of problems has resulted in extraordinary earnings for shipping giants like Denmark's Maersk, France's CMA CGM, Germany's Hapag-Lloyd and China's Cosco, which were on track to reap a decade's worth of gross profit in just one year." [Los Angeles Times, [11/10/21](#)]

A Maritime Research Consultancy Estimated That Container Shipping Lines' Projected 2021 Earnings Put Them "In The Same League As Corporate Behemoths Like Apple." "Drewry, a maritime research consultancy, estimates container shipping lines could collectively take in up to \$100 billion in net earnings by the end of 2021, tripling a forecast from March and putting the companies in the same league as corporate behemoths like Apple." [Los Angeles Times, [11/10/21](#)]

Shipping Container Rates Have "Jumped More Than Fourfold In Two Years":



[Bloomberg, [12/01/21](#)]

Shipping Container Rates From Asia To The U.S. Were As High As \$20,000 In 2021, Over Ten Times Higher Than The \$2,000 Rate From Just A Few Years Ago. "The spot rate for a 40-foot container to the U.S. from Asia topped \$20,000 last year, including surcharges and premiums, up from less than \$2,000 a few years ago, and was recently hovering near \$14,000." [Bloomberg, [01/18/22](#)]

Small- And Medium-Sized Businesses Have Been Strained By The "Record" Shipping Costs. "The logjam has sent shipping costs to record highs. The Shanghai Containerized Freight Index, a closely followed gauge measuring the cost of shipping from Chinese ports, soared 449% in early October compared with the same period two years ago. 'Just a perfect storm,' said Nathan Resnick, president and co-founder of Sourcify, a San Diego-based firm that links U.S. entrepreneurs to factories in Asia. 'Small- and medium-sized businesses are struggling to fathom paying this much for freight.'" [Los Angeles Times, [11/10/21](#)]

Smaller Businesses That Rely On International Shipping Are Disadvantaged Against Large Corporations, Which Are More Able To Negotiate Freight Rates Or Absorb Higher Costs. "Large customers of sea-borne cargo like Walmart Inc. or Ikea have the heft to negotiate better terms in those deals, or absorb the added expense. Smaller importers and exporters — especially those in poor countries — that rely on carriers to haul everything from electronics and apparel to grains and chemicals, can't easily pass those costs along or weather long periods of stretched cash flows." [Bloomberg, [01/18/22](#)]

One Expert Said Of Current Shipping Companies' Profit: "One Entire Voyage Is Enough To Earn Back The Cost Of An Entire Ship."

One Shipping Consultant Said Of Shipping Companies' Recent Profitability, "One Entire Voyage Is Enough To Earn Back The Cost Of An Entire Ship. That's Like Taking One Trip As An Uber Driver And Being Paid The Value Of The Car." "It's not a crisis of their making or one that's hurting them financially: 'These companies are making enough money in one year to cover whatever investments they've made in the last 10,' said Jason Chiang, director at Ocean Shipping Consultants in Singapore, a major transshipment hub. "One entire voyage is enough to earn back the cost of an entire ship. That's like taking one trip as an Uber driver and being paid the value of the car." [Los Angeles Times, [11/10/21](#)]

Economists Have Warned That The Shipping Industry Is "Stoking Inflation" With Its High Fees And The United Nations (U.N.) Has Warned That It Is Behaving As "A Loose Oligopoly" Not Subject To Anti-Competition Rules.

While Economists Have Warned That High Freight Costs Are "Stoking Inflation And Clouding The Recovery," Shipping Companies Have Been Called "A Loose Oligopoly" By The U.N. As They've Faced Increased Scrutiny For "Alliances" Not Subject To Anti-Competition Rules.

Economists Have Warned That High Transportation Prices Were "Stoking Inflation And Clouding The Recovery" From The COVID-19 Pandemic. "The extended windfall has touched a raw nerve across the political spectrum as economists warn that persistently high transportation prices are stoking inflation and clouding the recovery." [Bloomberg, [01/18/22](#)]

An Economist With The Kansas City Federal Reserve Who Has Said That Shipping Rates Will Be A Persistent Inflation Challenge, Found That A 15% Increase In Shipping Costs Resulted In A 0.10 Percentage Point Rise In Core Inflation Within A Year. "Nicholas Sly, an economist with the Kansas City Fed, has done research that found, in the past, a 15% increase in shipping costs led to a 0.10 percentage point increase in core inflation after one year. Shipping rates, he said, currently are a persistent — rather than temporary or transitory — challenge." [Bloomberg, [01/18/22](#)]

The Supply Chain Crisis Has Been "Throwing A Spotlight On The Market Concentration Of Shipping Lines, And Their Legal Immunity From Antitrust Laws." "The situation is throwing a spotlight on the market concentration of shipping lines, and their legal immunity from antitrust laws." [Bloomberg, [01/18/22](#)]

The Shipping Industry Has Been Long Criticized About "Fair Competition," As Well As "Treatment Of Workers And Damage To The Environment." "But the supply chain woes are bringing attention to an industry that for generations has raised concerns about fair competition, treatment of workers and damage to the environment." [Los Angeles Times, [11/10/21](#)]

Worldwide, Exporters That Rely On Shipping Have Been "Pleading With Regulators To Rein In Ocean-Freight Carriers." "Faced with forces that are upending traditional business models, shippers around the world are pleading with regulators to rein in ocean-freight carriers." [Bloomberg, [01/18/22](#)]

- **January 2022: The British International Freight Association Asked The U.K. Government To Probe "'Distorted Market Conditions' Within The Global Container-Shipping Market."** "The latest salvo came Jan. 5 from the British International Freight Association, which called on the U.K. government to investigate 'distorted market conditions' within the global container-shipping market." [Bloomberg, [01/18/22](#)]

Nine Of The Ten Biggest Shipping Companies Have "Vessel-Sharing Agreements Called 'Alliances' That Have "Long Enjoyed Leeway From Anti-Competition Laws." "While officially competitors, nine of them operate under vessel-sharing agreements called 'alliances' that coordinate schedules and share space on ships. Meanwhile, carriers have long enjoyed leeway from anti-competition laws in most major economies, including in the European Union and in the U.S." [Bloomberg, [01/18/22](#)]

- **In The U.S., Shipping Carriers Have Been Exempted From Antitrust Laws Since 1916, When Modern Shipping Laws Were First Established, But They Are Required To Report Pricing Agreements.** "Modern American shipping laws date to 1916, an era when bulk goods were loaded on ships by net and crane. At the time, the U.S. government was concerned that foreign carriers and pricing monopolies threatened to disadvantage American businesses and undermine a nascent domestic commercial fleet. In response, Congress exempted carriers from antitrust laws, but required them to report any pricing agreements to regulators." [Bloomberg, [01/18/22](#)]

Shipping Carriers' "Alliances" Have Been Likened To "A Loose Oligopoly" By The UN Agency Responsible For Maritime Trade. "In 2013 carriers began forming alliances to collectively allocate cargo space and organize sailing schedules, much like airlines use them to book passengers on each other's flights, allowing travel on multiple carriers with one itinerary. By 2018, the UN agency that monitors maritime trade described it as 'a market structure that is more representative of a loose oligopoly.'" [Bloomberg, [01/18/22](#)]

The Shipping Industry Has Claimed That High Freight Rates Are A Temporary Market Imbalance While Blaming Land Transportation For Supply Chain Issues. "Carriers insist the high prices are an anomalous spike born of pandemic-sparked imbalances in supply and demand that will naturally resolve. John Butler, chief executive officer of the World Shipping Council, a group representing the container lines, defended the alliances as arrangements that make the whole system work more efficiently. The council points to strong-than-normal consumer demand in the U.S., and Butler blames many of today's disruptions on problems with land transportation." [Bloomberg, [01/18/22](#)]

Although President Biden Issued An Order To Ensure "Vigorous Enforcement" Against Shipping Companies' Fees, The Federal Maritime Commission's (FMC) Chairman Has Admitted That "It Is Very, Very Difficult, If Not Impossible" To Challenge The Industry.

In 2021, President Biden Issued An Executive Order To Ensure "Vigorous Enforcement" Against Shipping Companies' "Exorbitant Charges" Against American Exporters, Which Can Pay Hundreds Of Thousands Of Dollars In Fees For Goods Stalled In Transit...

Shipping Companies Have Been Accused Of Profiteering From Governments And Manufacturing Companies. "The sudden fortunes of ocean freight lines have led to accusations of profiteering, drawing scrutiny from governments and manufacturers. British trade groups are calling on the country's Competition and Markets Authority to investigate 'cartel-like' pricing in the shipping industry." [Los Angeles Times, [11/10/21](#)]

July 2021: President Biden Issued An Executive Order Encouraging The Federal Maritime Commission To Pursue "Vigorous Enforcement Against Shippers Charging American Exporters Exorbitant Charges." "In the Order, the President: [...] Encourages the Federal Maritime Commission to ensure vigorous enforcement against shippers charging American exporters exorbitant charges." [The White House, [07/09/21](#)]

The White House Noted That American Exporters Were At The "Mercy" Of The 10 Largest Shipping Companies, Whose Market Control Has Grown From 12% To Over 80% Today. "Shipping: In maritime shipping, the global marketplace has rapidly consolidated. In 2000, the largest 10 shipping companies controlled 12% of the market. Today, it is more than 80%, leaving domestic manufacturers who need to export goods at these large foreign companies' mercy." [The White House, [07/09/21](#)]

The White House Noted That Shipping Companies Can Charge American Exporters "Exorbitant Fees," Which Can Amount To Hundreds Of Thousands Of Dollars "For Time Their Freight Was Sitting Waiting To Be Loaded Or Unloaded." "This has let powerful container shippers charge exporters exorbitant fees for

time their freight was sitting waiting to be loaded or unloaded. These fees, called 'detention and demurrage charges,' can add up to hundreds of thousands of dollars." [The White House, [07/09/21](#)]

...However, The Federal Maritime Commission's Chairman Has Admitted That "It Is Very, Very Difficult, If Not Impossible For The FMC To Ever Challenge These Alliances For Violating Competition Requirements."

The Federal Maritime Commission (FMC) Has Been Monitoring Carriers' Alliances For Potentially Illegal Behavior. "The FMC says it has increased monitoring of carrier alliances, to better track trends and spot potential illegal behavior, such as artificially limiting supply or not competing on prices." [Bloomberg, [01/18/22](#)]

December 2021: The FMC Opened An Investigation Into A Taiwanese Carrier For "Relatively Narrow Violations" Of Container Return Fee Rules. "In late December, the agency opened an investigation into the Taiwanese carrier Wan Hai Lines Ltd. alleging relatively narrow violations of fee rules governing container returns." [Bloomberg, [01/18/22](#)]

FMC Chairman Daniel Maffei Has Said "There Is Little Regulators Can Do To Rein In More Widespread Potential Abuse." "Beyond such steps, even the agency's chairman, Daniel Maffei, said that under current U.S. law there is little regulators can do to rein in more widespread potential abuse." [Bloomberg, [01/18/22](#)]

Maffei Said, "It Is Very, Very Difficult, If Not Impossible For The FMC To Ever Challenge These Alliances For Violating Competition Requirements." "The fact is that it is very, very difficult, if not impossible for the FMC to ever challenge these alliances for violating competition requirements,' said Maffei, noting that he has no evidence that they currently are. 'We don't really have the practical tools necessary to challenge it.'" [Bloomberg, [01/18/22](#)]

A 2021 Bill To Help Reform Shipping Laws And Carrier Fees Immediately Prompted Response From The World Shipping Council, Represented By A Lobbyist With "Strong" Senate Ties Who Has Personally Given \$15,000 To Senate Minority Leader Mitch McConnell...

In December 2021, The U.S. House Passed H.R. 4996, The Ocean Shipping Reform Act Of 2021 A Bipartisan And White House-Backed Bill To Help Reform Shipping Laws, Empower Businesses To Challenge Carriers' Fees, And Allow The Federal Maritime Commission (FMC) To Self-Initiate Investigations Into Carriers.

2021: The U.S. Passed H.R. 4996, The Ocean Shipping Reform Act, A Bipartisan Bill To Reform Shipping Laws, Give The FMC More Authority, And Empower Businesses To Challenge Carrier Fees— However, The Bill Did Not Target Carriers' Immunity From Antitrust Laws. "In the U.S., a bipartisan bill that passed in the House last year takes aim at reforming U.S. shipping laws. It would give the FMC greater authority, prohibit carriers from discriminating against American cargo, and give businesses more power to challenge carrier fees. But even that bill — a potentially once-in-a-generation shot at reform — stops short of targeting carriers' antitrust immunity." [Bloomberg, [01/18/22](#)]

- **August 2021: Reps. John Garamendi (D-CA) And Dusty Johnson (R-SD) The Ocean Shipping Reform Act Of 2021, The "First Major Update Of Federal Regulations For The Global Ocean Shipping Industry Since 1998."** "Today, Congressmen John Garamendi (D-CA) and Dusty Johnson (R-SD) introduced the 'Ocean Shipping Reform Act of 2021.' This bipartisan legislation is the first major update of federal regulations for the global ocean shipping industry since 1998. The legislation would support American exports by establishing reciprocal trade opportunities to help

reduce the United States' longstanding trade imbalance with China and other countries." [Rep. John Garamendi, [08/10/21](#)]

- **December 8, 2021: H.R. 4996, The Ocean Shipping Reform Act Of 2021 Passed The U.S. House By A Heavily Bipartisan Vote Of 364-60 To Suspend The Rules And Pass The Bill.** [Congress.gov, [12/08/21](#)]
- **152 Republicans And 212 Democrats Voted For The H.R. 4996.** [Clerk of the U.S. House of Representatives, [12/08/21](#)]
- **December 9, 2021: H.R. 4996 Was Received In The U.S. Senate And Referred To The Committee on Commerce, Science, and Transportation.** [Congress.gov, [12/09/21](#)]

The Biden White House Stated Its Support For The Bill, Noting That It Would Address Industry's "Unfair Practices" And Included "Good First Steps Towards The Type Of Longer-Term Reform To Shipping Laws That Would Strengthen America's Global Competitiveness." "Moreover, Congress should provide the FMC an updated toolbox to protect exporters, importers, and consumers from unfair practices. There is bipartisan support for doing this, including a bipartisan bill sponsored by California Democrat John Garamendi and South Dakota Republican Dusty Johnson. Their proposed legislation includes good first steps towards the type of longer-term reform to shipping laws that would strengthen America's global competitiveness." [The White House, [11/17/21](#)]

The Ocean Shipping Reform Act's Provisions Include Requiring Ocean Carriers To Better Serve "The Public Interest," Shift The Burden Of Proof For High Demurrage Fees To Ocean Carriers And Terminal Operators, And Authorize The FMC To Self-Initiate Investigations Into Carriers. "The 'Ocean Shipping Reform Act of 2021' would:

- Establish reciprocal trade to promote U.S. exports as part of the Federal Maritime Commission's (FMC) mission.
- Require ocean carriers to adhere to minimum service standards that meet the public interest, reflecting best practices in the global shipping industry.
- Require ocean carriers or marine terminal operators to certify that any late fees —known in maritime parlance as “detention and demurrage” charges—comply with federal regulations or face penalties.
- Shift burden of proof regarding the reasonableness of 'detention or demurrage' charges from the invoiced party to the ocean carrier or marine terminal operator.
- Prohibit ocean carriers from declining opportunities for U.S. exports unreasonably, as determined by the FMC in new required rulemaking.
- Require ocean common carriers to report to the FMC each calendar quarter on total import/export tonnage and twenty-foot equivalent units (loaded/empty) per vessel that makes port in the United States.
- Authorizes the FMC to self-initiate investigations of ocean common carrier's business practices and apply enforcement measures, as appropriate." [Rep. John Garamendi, [08/10/21](#)]

Previously, In March 2021, Reps. Garamendi And Johnson Joined Over 100 Members Of Congress In A Bipartisan Letter Urging The FMC To Take Action Against "Unfair, Anti-Competitive, And Likely Illegal Business Practices By Some Ocean Carriers." "On March 9, 2021, Congressmen Garamendi and Johnson joined over 100 Members of Congress in a bipartisan letter to the Federal Maritime Commission urging action on unfair, anti-competitive, and likely illegal business practices by some ocean carriers. Dozens of agricultural exporters contacted the Congressmen's offices reporting that ocean carriers refused to accept

cargo bookings for U.S. exports, instead choosing to send empty canisters back to the Asia-Pacific, as quickly as possible to refill with foreign exports during the pandemic." [Rep. John Garamendi, [08/10/21](#)]

The World Shipping Council, Which Represents The World's Biggest Shipping Companies, Vocally Opposed H.R. 4996, Called On The Senate To Be More "Careful And Targeted" Than The House, And Quickly Began Lobbying On The Bill—Represented By A Former Republican Majority Leader Staffer Known For His "Strong Ties In The Senate."

The World Shipping Council's Members Include Matson, Mærsk, NYK Line, COSCO Shipping, Mitsui O.S.K., Hapag-Lloyd, And Others. "A.P. Møller-Maersk (including Maersk Line, Hamburg Sud, Safmarine, SeaLand) - China COSCO Shipping Corporation Ltd.(COSCO) including OOCL - CMA CGM Group (including ANL, APL, Containerships) - Crowley Maritime Corporation - Evergreen Marine Corporation - Hapag-Lloyd AG - HMM Co., Ltd. - Independent Container Line (ICL) - Kawasaki Kisen Kaisha Ltd. (K-Line) - Korea Marine Transport Co., Ltd. (KMTC) - Matson, Inc. - Mediterranean Shipping Company (MSC) - Mitsui O.S.K. Lines Ltd. (MOL) - NYK Line (NYK) - Ocean Network Express (ONE) - X-Press Feeders - Wan Hai Lines Ltd. - Wallenius Wilhelmsen - Yang Ming Marine Transport Corporation - Zim Integrated Shipping Services, Ltd." [World Shipping Council, accessed [01/18/22](#)]

Meet our members



[World Shipping Council, accessed [01/18/22](#)]

August 10, 2021: Before The Ocean Shipping Reform Act Was Introduced, The World Shipping Council Issued A Statement Arguing The Bill Was Based On "Unworkable, Unnecessary And Duplicative Proposals—Some Of Which Contain Serious Due Process Of Law Concerns." "A bill is expected to be introduced in the U.S. House of Representatives today that seeks to amend the U.S. Shipping Act as a means of attempting to address supply chain congestion resulting from the confluence of record U.S. consumer and business import demand, coupled with disruptions resulting from the COVID-19 pandemic. While text of today's legislation is not yet available, a 'Framework' outlining the legislation has been shared with members of the media. The legislation is based upon a flawed 'Discussion Draft' that was a wholesale incorporation of unworkable, unnecessary and duplicative proposals—some of which contain serious due process of law concerns—that was suggested by certain shippers and agricultural exporter interests." [World Shipping Council, [08/10/21](#)]

- **Headline: WSC Statement on the Framework for the to-be-introduced "Ocean Shipping Reform Act of 2021"** [World Shipping Council, [08/10/21](#)]

January 2022: World Shipping Council President And CEO John Butler Wrote An Opinion Piece Against The Ocean Shipping Reform Act Of 2021, Arguing It "Would Not Reduce Supply Chain

Congestion. "John Butler, President and CEO, World Shipping Council [...] The 'Ocean Shipping Reform Act of 2021' (H.R. 4996), passed by the House last month, is not designed to address supply chain congestion, and if enacted into law would not reduce supply chain congestion." [Journal of Commerce, [01/20/22](#)]

- **Headline: "Senate needs careful approach on US shipping reform"** [Journal of Commerce, [01/20/22](#)]

Butler Took A Quote From Bill Proponent The National Industrial Transportation League (NITL) Out Of Context—While The NITL Said The Act "Was Not Designed To Solve Port Bottlenecks," The Group Was Actually Arguing The Bill Would Address Carriers' "Unreasonable" Demurrage Fees. "Its original co-sponsors have made that clear, and last week the National Industrial Transportation League, one of the principal proponents of the bill, reinforced the point, stating in an opinion piece on JOC.com that the House bill 'was not designed to solve port bottlenecks.'" [Journal of Commerce, [01/20/22](#)]

- **January 2022: Although The NITL Stated The Ocean Reform Shipping Act Was Not Meant To Solve Bottlenecks, It Emphasized That The Bill Would Alleviate The Carriers' "Unreasonable" Demurrage Fees, Particularly After The FMC Was Unable To Prevent Them During The Supply Chain Crisis.** "Lori Fellmer, VP Logistics and Carrier Management, BassTech International; Chair, NITL Ocean Transportation Committee [...] The National Industrial Transportation League (NITL) has a legacy of advocacy for US shippers and works tirelessly to earn the label 'The Shippers' Voice Since 1907.' It is important to recognize, however, that the League's May 2021 proposal that became part of HR 4996, the Ocean Shipping Reform Act of 2021 (OSRA21), was not designed to solve port bottlenecks. [...] The outcome of Fact Finding 28 that led to the FMC's Interpretive Ruling on Demurrage & Detention was one such shining example. Unfortunately, it has also become the embodiment of how the agency's articulation of likely unreasonable demurrage practices has not resulted in the performance of reasonable practices, as carriers continue to invoice millions of dollars in demurrage and detention under unreasonable circumstances when delays are beyond the control of the cargo. For this reason, NITL supports the reforms outlined in OSRA21 that will require demurrage and detention charges to be consistent with their long-recognized purpose of incentivizing efficiencies in the ocean cargo delivery network." [Journal of Commerce, [01/13/22](#)]

Butler Called The Ocean Reform Shipping Act "A Political Statement Of How Everyone, Including Our Members, Would Like It To Be — The Way It Was Before COVID." "In short, the new Ocean Shipping Reform Act is a political statement of how everyone, including our members, would like it to be — the way it was before COVID. And if the bill was merely a political wish list, there would be no harm. But the bill would make that wish list law, with failure to pull the rabbit from the hat punishable by substantial penalties." [Journal of Commerce, [01/20/22](#)]

Butler Concluded That The Senate Should "Take A More Careful And Targeted Approach" Than The House Did With The Ocean Reform Shipping Act. "The discussion now moves to the Senate. That body has historically been more deliberative and more attuned to the fact that to take precipitous action with respect to the international ocean transportation system is to take precipitous action with US international trade and thus with the health of the US economy. We urge the Senate to take a more careful and targeted approach with its bill and to follow the physician's creed of 'first, do no harm.'" [Journal of Commerce, [01/20/22](#)]

September 27, 2021: The World Shipping Council Was Registered As A Lobbying Client Of Crossroads Strategies, LLC, Just Over A Month After The Introduction Of The Ocean Shipping Reform Act. [Crossroads Strategies LLC Lobbying Registration, [09/27/21](#)]

- **August 10, 2021: H.R. 4996, The Ocean Shipping Reform Act Of 2021, Was Introduced In The U.S. House.** [Congress.gov, [08/10/21](#)]

Q3 2021: The World Shipping Council Paid \$20,000 To Crossroads Strategies To Lobby On "H.R.4996, Ocean Shipping Reform Act Of 2021" And "Issues Related To The Global Supply Chain." [Crossroads Strategies LLC LD-2 Lobbying Disclosure, [10/20/21](#)]

Q4 2021: The World Shipping Council Paid \$50,000 To Crossroads Strategies To Lobby Congress, The Executive Office Of The President, And The FMC On "H.R.4996, Ocean Shipping Reform Act Of 2021" And "Issues Related To The Global Supply Chain." [Crossroads Strategies LLC LD-2 Lobbying Disclosure, [01/19/22](#)]

The Q3 2021 And Q4 2021 Lobbying Disclosures Were Signed By John Green, Crossroads Strategies' Chairman And Co-Founder, Who Was A Deputy Chief Of Staff And Legislative Aide For Former Republican Majority Leader Sen. Trent Lott (R-MS). [Crossroads Strategies LLC LD-2 Lobbying Disclosure, [10/20/21](#); Crossroads Strategies LLC LD-2 Lobbying Disclosure, [01/19/22](#)]

- **John Green Is Crossroads Strategies' Chairman And Co-Founder.** "John Green [...] John is Chairman and Co-founder of Crossroads Strategies, LLC, a multidisciplinary federal government relations firm based in Washington, DC. During his 21 years in the advocacy community, John has successfully achieved policy changes in virtually every field of federal advocacy, notably in technology policy and resources issues. Prior to his work at Crossroads, John co-founded Federalist Group, LLC." [Crossroads Strategies, accessed [01/18/22](#)]
- **John Green Was Previously Deputy Chief Of Staff And Legislative Aide For Sen. Trent Lott, According To A 2018 Lobbying Disclosure.** [Crossroads Strategies LLC Lobbying Registration, [07/09/18](#)]
- **Sen. Trent Lott (R-MS) Was Chosen As Republican Floor Leader In 1996 And He Was Majority Leader For Five Years.** "Mississippi's Trent Lott came to Capitol Hill in 1968 to work as an administrative assistant for Representative William Colmer. [...] Senate Republicans chose him as floor leader in 1996 and he served five years as majority leader." [U.S. Senate, accessed [01/18/22](#)]

John Green Was Known For "Strong Ties In The Senate After His Years Of Work" For Senate Majority Leader Trent Lott (R-MS). "John Green, a founding partner of what is now Ogilvy Government Relations, will soon take a leave of absence from that firm to work as a full-time liaison between McCain's presidential campaign and Republicans in the House and the Senate, according to GOP aides on Capitol Hill and McCain surrogates downtown. Green, a Mississippi native, has strong ties in the Senate after his years of work for former Senate Majority Leader Trent Lott (R-Miss.), a vocal McCain supporter who left Congress late last year to set up his own lobbying shop." [Politico, [03/04/08](#)]

- **Crossroads Strategies' John Green Co-Founded The Federalist Group, Which Was Acquired By Ogilvy Public Relations.** "Prior to his work at Crossroads, John co-founded Federalist Group, LLC. Federalist Group was acquired by Ogilvy Public Relations and grew to be one of the top five government relations firms in Washington. John has been involved in public policy and politics at the federal level for two decades. He began his career working in the United States Senate, where he handled policy and administrative matters for the Assistant Majority Leader and eventual Majority Leader of the U.S. Senate." [Crossroads Strategies, accessed [01/18/22](#)]

The World Shipping Council Spent \$221,704 Lobbying On Its Own Behalf On The Federal Maritime Commission And The Shipping Act In 2021:

- **Q1 2021: The World Shipping Council Spent \$55,000 Lobbying Congress, The White House, The Federal Maritime Commission, And Several Other Executive Branch Agencies On "FMC And Shipping Act" And Other Issues.** [World Shipping Council LD-2 Lobbying Disclosure, [05/24/21](#)]

- **Q2 2021: The World Shipping Council Spent \$38,000 Lobbying Congress, The White House, The Federal Maritime Commission, And Several Other Executive Branch Agencies On "FMC And Shipping Act" And Other Issues.** [World Shipping Council LD-2 Lobbying Disclosure, [07/19/21](#)]
- **Q3 2021: The World Shipping Council Spent \$29,000 Lobbying Congress, The Federal Maritime Commission, And Several Other Executive Branch Agencies On "FMC And Shipping Act" And Other Issues.** [World Shipping Council LD-2 Lobbying Disclosure, [10/18/21](#)]
- **Q4 2021: The World Shipping Council Spent \$99,704 Lobbying Congress, The Federal Maritime Commission, And Several Other Executive Branch Agencies On "FMC And Shipping Act" And Other Issues.** [World Shipping Council LD-2 Lobbying Disclosure, [01/12/22](#)]

The Former Senate Staffer Turned Lobbyist Has Given \$15,000 To Current Senate Republican Leader Mitch McConnell (R-KY).

John Green Has Given \$15,000 To Sen. Mitch McConnell Since 2003:

Date	Recipient	Contributor	Contributor Employer	Contributor Title	Amount
06/30/21	Bluegrass Committee	Green, Johnson	Crossroads Strategies	Consulting	\$2,500
03/31/21	McConnell For Majority Leader Committee	Green, Johnson	Crossroads Strategies	Consulting	\$2,500
12/19/12	McConnell Senate Committee '14	Green, John Mr	Crossroads Strategies, LLC	CEO	\$1,000
10/20/11	McConnell Senate Committee '14	Green, John Mr	Crossroads Strategies LLC	Consulting	\$1,000
05/09/11	McConnell Senate Committee '14	Green, John Mr	Crossroads Strategies, LLC	CEO	\$1,000
03/24/10	McConnell Senate Committee '14	Green, John Mr	Crossroads Strategies LLC	Consulting	\$1,000
09/30/09	Bluegrass Committee	Green, John M. Mr.	Federalist Group	Partner	\$1,000
02/13/07	McConnell Senate Committee '14	Green, Johnson M	Federalist Group	President	\$2,000
06/30/05	Bluegrass Committee	Green, John M.	The Federalist Group	Partner	\$1,000
10/30/03	Bluegrass Committee	Green, John M.	The Federalist Group/Partner	Partner	\$1,000
07/23/03	Bluegrass Committee	Green, John M.	The Federalist Group/Partner	Partner	\$1,000
Total:					\$15,000

Mitch McConnell Is The Leadership PAC Sponsor Of The Bluegrass Committee. [Federal Election Commission, accessed [01/18/22](#)]

John Green Co-Founded The Federalist Group. "Prior to his work at Crossroads, John [Green] co-founded Federalist Group, LLC. Federalist Group was acquired by Ogilvy Public Relations and grew to be one of the top five government relations firms in Washington. John has been involved in public policy and politics at the federal level for two decades. He began his career working in the United States Senate, where he handled

policy and administrative matters for the Assistant Majority Leader and eventual Majority Leader of the U.S. Senate." [Crossroads Strategies, accessed [01/18/22](#)]

...Sen. McConnell's Wife Is Former Trump Transportation Secretary Elaine Chao, Who Abused Her Office To Help Her Family, According To A 2021 Inspector General Report, And Who Sided With Industry As Early As The 1980s While She Chaired The Federal Maritime Commission.

Sen. McConnell's Wife Is Former Trump Transportation Secretary Elaine Chao, Who Was Found By The Inspector General To Use Her Office To Help Her Family's Shipping Company And Favored Industry While A Shipping Regulator As Early As The 1980s.

Sen. McConnell's Wife Elaine Chao Was Secretary Of Transportation Under Trump. "The family of Elaine Chao, the transportation secretary and wife of Mitch McConnell, the Senate majority leader, has high-level political connections not only in the United States but also in China. That gives the family unusual status in the world's two largest economies. Through interviews, industry filings and government documents from both countries, The New York Times found that the Chaos, and by extension Mr. McConnell, prospered as the family's shipping company developed deeper business ties in China. Along the way, one of the company's boosters was Ms. Chao, who now oversees efforts to promote America's own maritime industry, which is in steep decline as China's shipping sector rises in global dominance." [The New York Times, [06/02/19](#)]

Elaine Chao's Family Owns Shipping Company The Foremost Group. "As transportation secretary, Elaine Chao is the top Trump official overseeing the maritime industry. Her family owns Foremost Group, a shipping company." [The New York Times, [06/02/19](#)]

Chao "Repeatedly Used Her Connections And Status To Boost" The Foremost Group, Although She Had Not Held A Formal Role At Company Since The 1970s. "Ms. Chao hasn't held a formal position at Foremost since the late 1970s, but she has repeatedly used her connections and status to boost the company's reputation and visibility." [The New York Times, [06/02/19](#)]

March 2021: The Transportation Department Inspector General Reported That Chao Used Her Office To Help Her Family. "A report released by the Inspector General (IG) of the U.S. Department of Transportation says that Trump Administration Secretary of Transportation Elaine Chao used her office staff on a number of occasions to handle matters related to her father, James Chao, founder of Foremost Shipping, and her sister, Angela, who now runs the company." [MarineLog, [03/04/21](#)]

- **Headline: Inspector General says Elaine Chao used office to help family** [MarineLog, [03/04/21](#)]

A Former General Counsel At The Office Of Government Ethics Said Chao "Should Recuse Herself From Decisions That Broadly Impacted The Shipping Industry" When She Became Transportation Secretary. "Marilyn L. Glynn, a former general counsel at the Office of Government Ethics, said Ms. Chao should recuse herself from decisions that broadly impacted the shipping industry. 'She might be tempted to make sure her family company is not adversely affected in any policy choices, or it might even just appear that way,' Ms. Glynn said." [The New York Times, [06/02/19](#)]

As Of 2019, Sen. McConnell Had Taken Over \$1 Million From 13 Members Of The Chao Family, In Addition To A \$25 Million Gift That Chao's Father Gave To The Couple. "Ms. Chao and Mr. McConnell married in 1993, but her campaign donations, along with those of her parents, sisters and brothers-in-law, began flowing years before the wedding. The first \$10,000 came in June 1989. In the 30 years since, 13 members of the extended Chao family have given a total of more than \$1 million to Mr. McConnell's campaigns and to political action committees tied to him. In 2008, James Chao gave the couple a gift of as much as \$25 million, vaulting Mr. McConnell into the ranks of the richest senators." [The New York Times, [06/02/19](#)]

- **Elaine Chao's Father Is James Chao.** "James S.C. Chao, 91, Ms. Chao's father, studied navigation at a university in Shanghai before fleeing the mainland ahead of the Communist takeover in 1949." [The New York Times, [06/02/19](#)]

1988: In Her First Major Speech As Chairman Of The FMC, Elaine Chao Reportedly Argued That "The Last Thing The Port Industry Needs Is Ivory Tower Regulation." "In her first major address as chairman of the Federal Maritime Commission, Elaine L. Chao called for government oversight that makes sense in the commercial environment. Given the need to respond to demanding clients and changing technologies, the last thing the port industry needs is ivory tower regulation from a bureaucracy that never reviews the adequacy and consequences of its rules, she said." [Journal of Commerce, [09/14/88](#)]

Chao Indicted "Her Intention To Maintain The Reagan Deregulatory Mandate" And Minimize Impact On The Shipping Industry. "Ms. Chao's speech before the annual convention of the American Association of Port Authorities was careful and did not signal any bold change in policy. She did, however, indicate her intention to maintain the Reagan deregulatory mandate, calling for regulation that placed a minimum of cost or burden on the industry." [Journal of Commerce, [09/14/88](#)]

Chao Urged Ports To Be Vocal About Antitrust Immunity For The Port And Terminal Industry During The Review Process For The Shipping Act Of 1984, Which Was Occurring At The Time. "Under the five-year review of the Shipping Act of 1984, the industry also will be considering whether a need still exists for port and marine terminal antitrust immunity. Ms. Chao urged ports, through the AAPA, to add their voices to the process. This is important, she said, given the stakes involved." [Journal of Commerce, [09/14/88](#)]

2016: While Shipping Industry Fees Were Being Challenged, Soon-To-Be Transportation Secretary Elaine Chao Was Expected To Be "More Favorable To Ocean Carriers And Terminal Operators," Consistent With Previous Republican Administrations. "A diverse group of shippers is challenging fees that container lines and marine terminals impose for delays at US ports. But first the shippers need approval from federal maritime regulators. [...] The FMC is not a high-profile agency, and historically, new US presidents have waited a year or so before appointing an FMC chairman of their own political party. But things might move faster with the administration of Trump. His pick to run the Department of Transportation, Elaine Chao, is a seasoned DC operator and was FMC chair in the late 1980s. [...] Although the FMC is an independent regulatory agency that is largely apolitical, Republican nominees generally have been more favorable to ocean carriers and terminal operators, to the dismay of shippers." [Journal of Commerce, [12/27/16](#)]

The Biggest U.S. Shipping Company And Five Of The Biggest Global Shipping Companies Have All Reported Massive Profits During The Supply Chain Crisis, With Most Crediting Their Higher Freight Fees For Their Performance.

Matson Inc., The Largest U.S. Shipping Company And The Tenth-Largest In The World As Of 2020, Reported A 299% Increase In Its Q3 2021 Net Income And Bought Back \$115.7 Million In Stock, Even As Its CEO Acknowledged That The Supply Chain From China Was "In Chaos."

Matson Inc. Was The Largest U.S.-Traded Shipping Company, And The Tenth-Largest In The World, As Of September 2020. [Investopedia, [09/11/20](#)]

- **Matson Inc. Is "A U.S. Owned And Operated Transportation Services Company Headquartered In Honolulu, Hawaii" And Traded On The New York Stock Exchange.** "Matson, Inc. is a U.S. owned and operated transportation services company headquartered in Honolulu, Hawaii. The company is listed on the NYSE under the ticker symbol 'MATX.'" [Matson, accessed [01/14/22](#)]

October 2021: Matson Expected High Shipping Demand To Persist Well Into 2022 While U.S. Retailers Struggled With The Supply Chain Crisis. "The demand for shipping from China to the U.S. led to a huge third quarter for Matson Inc., and the company expects the issue to persist well into next year. U.S. retailers have struggled to move goods as supply-chain and staffing issues have bogged down the flow." [MarketWatch, [10/12/21](#)]

November 3, 2021: Matson CEO Matthew Cox Said, "All Elements Of The Supply Chain Infrastructure From Origination In China, To The Distribution Points In The U.S., Are In Chaos." "All elements of the supply chain infrastructure from origination in China, to the distribution points in the U.S., are in chaos," Matson CEO Matthew Cox told Wall Street analysts Wednesday. "We expect elevated consumption demand and inventory restocking to remain largely in place at least through mid-year 2022." [Bloomberg, [11/04/21](#)]

Matson Chairman And CEO Acknowledged That "Supply Chain Congestion" In The Pacific To "Remain Largely In Place At Least Through Mid-Year 2022." "Currently, supply chain congestion continues in the Transpacific tradelane with the combination of ongoing elevated consumption trends, inventory restocking, and bottlenecks at critical points for both ocean and overland transportation. We expect these conditions to remain largely in place at least through mid-year 2022." [Matson, [11/03/21](#)]

November 3, 2021: Matson Inc. Reported A Net Income Of \$283.2 Million For Its Q3 2021, A 299% Increase From Its Q3 2020 Net Income Of \$70.9 Million. "HONOLULU, Nov. 3, 2021 /PRNewswire/ - Matson, Inc. ('Matson' or the 'Company') (NYSE: MATX), a leading U.S. carrier in the Pacific, today reported net income of \$283.2 million, or \$6.53 per diluted share, for the quarter ended September 30, 2021. Net income for the quarter ended September 30, 2020 was \$70.9 million, or \$1.63 per diluted share." [Matson, [11/03/21](#)]

- **Headline: Matson, Inc. Announces Third Quarter 2021 Results** [Matson, [11/03/21](#)]

Matson Chairman And CEO Matt Cox Said Q3 2021's Results Were A Continuation Of "The Strong Economic And Business Trends" The Company Saw In Its Q2 2021. "The strong economic and business trends we saw in the second quarter continued in the third quarter resulting in solid performance in both Ocean Transportation and Logistics," said Chairman and Chief Executive Officer Matt Cox." [Matson, [11/03/21](#)]

Matson Repurchased \$115.7 Million In Stock In Its Q3 2021. "During the third quarter of 2021, Matson repurchased approximately 1.5 million shares for a total cost of \$115.7 million. From October 1, 2021 through November 2, 2021, Matson repurchased an additional approximately 0.4 million shares for a total cost of \$33.1 million. As of November 2, 2021, the Company had approximately 1.1 million shares remaining on its share repurchase program." [Matson, [11/03/21](#)]

Matson Inc. Also Has Paid Out \$33.3 Million In Shareholder Dividends In The First Nine Months Of 2021:

(In millions)	Nine Months Ended September 30,	
	2021	2020
	[...]	
Dividends paid	(33.3)	(29.1)
Repurchase of Matson common stock	(115.7)	—

[Matson, [11/03/21](#)]

As Early As November 2020, Matson Was Seeing "Unprecedented Levels Of Demand" In The Pacific, With Four Times As Many Ships Operating In The China Transpacific Trade Lane. "Shipping company Matson has seen unprecedented levels of demand in the Transpacific and South Pacific trade lanes. To meet

this demand, Matson has added capacity in the Transpacific and South Pacific trade lanes to help accommodate customer needs." [Fiji Sun, [11/17/20](#)]

- **Matson's Director Of Corporate Communications Said, "Matson Is Currently Operating 12 Ships In The China Transpacific Trade Lane. We Normally Have Three Vessels Sailing To Fiji Every Month Out Of New Zealand."** "Director corporate communications, Keoni Wagner said the supply chain has been moving more volume than ever before. However, the effects of the pandemic can be felt within labor constraints faced by the company throughout the supply chain causing widespread delays. 'Matson is currently operating 12 ships in the China Transpacific trade lane. We normally have three vessels sailing to Fiji every month out of New Zealand.'" [Fiji Sun, [11/17/20](#)]

Mærsk, Which Transports About A Fifth Of The World's Shipping Containers, Saw Its Q3 2021 Profits Quintuple Due To "Dramatically" Higher Freight Costs And Was Expected To Profit \$17 Billion In 2021, Even As It Spent About \$4.6 Billion On Acquisitions And Announced A \$5 Billion Stock Buyback Program.

A. P. Møller - Mærsk A/S, Known As Mærsk, Was The Biggest Shipping Company In The World As Of September 2020, With A Market Capitalization Of \$30.8 Billion. [Investopedia, [09/11/20](#)]

Denmark-Based Mærsk "Operates A Worldwide Fleet Of Tankers, Supply Ships, Terminals, And Other Vessels." "The company better known simply as Mærsk is an integrated transport and logistics firm. Denmark-based Mærsk operates a worldwide fleet of tankers, supply ships, terminals, and other vessels. In addition, the company also explores for and produces oil and gas and operates industrial businesses." [Investopedia, [09/11/20](#)]

November 2021: Mærsk Was Expected To Continue Benefiting From The Supply Chain Crisis, Which It Predicted Would Persist Into 2022. "Maersk, the world's largest container shipping company, predicts that global supply chain chaos will continue into next year. That could benefit the company, which just reported its best quarter in 117 years." [CNN, [11/02/21](#)]

Mærsk "Moves About A Fifth Of The World's Containers On Its Ships." "Maersk, which moves about a fifth of the world's containers on its ships, has been reaping the benefits of the rattled global supply strains that have pushed up ocean freight rates to record levels this year and caused backlogs at U.S. ports." [The Wall Street Journal, [12/22/21](#)]

November 2021: "Surging" Shipping Costs Propelled Mærsk's Profits To \$5.9 Billion In Q3 2021, Its Best-Performing Quarter Since Its 1904 Founding. "The surging cost of shipping propelled Maersk's profit before taxes and interest to \$5.9 billion and sales to \$16.6 billion in the third quarter, the Danish company announced Tuesday. That's the best performance for both sales and earnings since Maersk was founded in 1904." [CNN, [11/02/21](#)]

Mærsk's Q3 2021 Profits Were Over Five Times Higher Than In Q3 2020 Due To "Dramatically" Increased Shipping Costs. "Profits were up nearly five times over the previous year as surging freight rates more than offset higher costs. The cost of shipping has increased dramatically over the past year due to a surge in consumer demand for goods and disruption to global supply chains." [CNN, [11/02/21](#)]

December 2021: Mærsk Was "Set To Report Net Income Of More Than \$17 Billion For 2021" As The Supply Chain Crisis "Doubled Freight Rates Several Times Over." "A.P. Moller-Maersk A/S is giving \$1,000 to each of its roughly 80,000 employees as the world's largest shipping company heads for record profits this year. [...] Maersk is set to report net income of more than \$17 billion for 2021, according to analyst estimates. The record-breaking performance comes after global supply-chain disruptions have doubled freight rates several times over." [Bloomberg, [12/01/21](#)]

January 2022: Mærsk Raised Its 2021 Earnings Guidance For The Fourth Time And Added "At Least Another \$1 Billion To Its 2021 Profit Expectations," Projecting EBITDA Of \$24 Billion For The Full Year. "An incredible 80 percent increase in freight rates through the fourth quarter has prompted Maersk to add at least another \$1 billion to its 2021 profit expectations, the fourth upgrade to its annual guidance. The A.P. Moller-Maersk group expects to report full-year earnings before interest, taxes, depreciation and amortization (EBITDA) of \$24 billion, up from the previous operating profit guidance of \$22 billion to \$23 billion announced in September." [Journal of Commerce, [01/14/22](#)]

- **EBITDA Is "A Measure Of A Company's Overall [Financial Performance](#)."** "EBITDA, or earnings before interest, taxes, depreciation, and amortization, is a measure of a company's overall [financial performance](#) and is used as an alternative to [net income](#) in some circumstances." [Investopedia, accessed [01/04/21](#)]

Mærsk's Projected 2021 Profit Was Expected To Set A New Record In Danish Corporate History. "A.P. Moller-Maersk A/S is now heading for a full-year profit that will match its combined results from the past nine years and make business history in its home country Denmark. [...] Maersk's 2021 result will be a record in Danish corporate history, according to a note published on Tuesday by Sydbank A/S analyst Mikkel Emil Jensen." [Bloomberg, [09/21/21](#)]

In 2021, Mærsk Acquired An "Asian House Giant" For \$3.6 Billion And Two E-Commerce Logistics Companies For A Total Of Nearly \$1 Billion. "A.P.-Moller Maersk A/S agreed to buy LF Logistics for around \$3.6 billion, in a move that would give the ocean shipping giant a network of warehouses in Asia and boost its footprint in inland logistics. [...] The deal is expected to close in 2022. It comes less than six months after Maersk bought two e-commerce logistics companies in August—one in the U.S. and one in Europe—for a total of nearly \$1 billion. The acquisition of LF would dwarf these deals but the Copenhagen-based company had already signaled its appetite for bigger acquisitions, bolstered by its strong earnings growth." [The Wall Street Journal, [12/22/21](#)]

- **Headline: Maersk Buys Asian Warehouse Giant LF Logistics for \$3.6 Billion** [The Wall Street Journal, [12/22/21](#)]

May 2021: Mærsk Announced A Two-Year \$5 Billion Stock Buyback Program, Set To Begin In November 2021. "As announced on 5 May 2021, A.P. Møller - Mærsk A/S (the 'Company') has decided to launch a share buy-back program of up to DKK 32 billion (around USD 5 billion) to be executed over a period of two years. The first phase of the share buy-back program will run from 3 November 2021 up to 3 May 2022." [Mærsk, [11/02/21](#)]

The President Of NYK Line, One Of The Biggest Shipping Companies In The World, Touted A "Favorable Tailwind" As He Projected A "Record-High" Recurring Profit Of About \$6.25 Billion For FY 2021, A Year In Which It Benefited From "Higher Freight Rates."

Nippon Yusen Kabushiki Kaisha (NYK Line) Was The Second-Biggest Shipping Company In The World As Of September 2020, With A Market Capitalization Of \$2.9 Billion. [Investopedia, [09/11/20](#)]

- **Nippon Yusen Kabushiki Kaisha Is Known As NYK Line.** "Nippon Yusen Kabushiki Kaisha (Nippon Yusen Kaisha or NYK Line)" [NYK Line, accessed [01/14/22](#)]

Japan-Based NYK Line's "Primary Businesses Include Container Transportation, Cruise Lines, Specialized Carriers, And Logistics." "Nippon Yusen Kabushiki Kaisha is a transportation and logistics company facilitating services between international and domestic ports. The company's primary businesses include container transportation, cruise lines, specialized carriers, and logistics. Nippon Yusen is based in Japan." [Investopedia, [09/11/20](#)]

November 11, 2021: NYK President Hitoshi Nagasawa Said The Company "Benefited From A Favorable Tailwind" And Expected To "Achieve A New Record-High Consolidated Recurring Profit Of ¥710 Billion In Fiscal 2021," Which Was About \$6.25 Billion At The Time. "The following is an excerpt from the New Year's speech made by NYK president Hitoshi Nagasawa as business opened for 2022. [...] Looking at the financial position of the NYK Group, as explained in the announcement of the financial results in November, we expect to achieve a new record-high consolidated recurring profit of ¥710 billion in fiscal 2021, greatly exceeding the initial forecast. Our group has benefitted from a favorable tailwind, but I truly believe this result is possible due to the efforts of everyone in the group who have worked hard to fully take advantage of this tailwind and carry out the daily work despite the disruptions caused by COVID-19." [NYK Line, [01/11/22](#)]

- **¥710 Billion Was Equivalent To \$6.25 Billion American Dollars, As Of January 14, 2022.** [Yahoo! Finance, accessed [01/14/22](#)]
- **Recurring Profit Is Also Known As Operating Profit, Which Is "A Measurement That Shows How Much Of A Company's Revenue Will Eventually Become Profits."** "Operating income is a measurement that shows how much of a company's revenue will eventually become profits. Operating income is similar to a company's earnings before interest and taxes (EBIT); it is also referred to as the operating profit or recurring profit." [Investopedia, accessed [01/14/22](#)]

November 2021: NYK Was Among Two Major Japanese Shipping Companies That "Reported Record Quarterly Profits As They Benefited From Higher Freight Rates." "Nippon Yusen and Kawasaki Kisen Kaisha, Japan's biggest and third-biggest shipping companies, reported record quarterly profits as they benefited from higher freight rates amid the chaos hitting global supply chains." [Reuters, [11/04/21](#)]

NYK's Quarterly Profit Of ¥260 Billion, Equivalent To About \$2.288 Billion, Was Over 25 Times Higher Than In The Same Quarter In 2020. "'Port and inland congestion did not improve due to a shortage of drivers for inland haulage,' Nippon Yusen said on Thursday in comments on the results for the three months through Sept. 30. Quarterly profit came to 260 billion yen, more than 25 times last year's amount, according to calculations by Reuters from the company's first fiscal half earnings announced on Thursday." [Reuters, [11/04/21](#)]

- **¥260,000,000,000 Was Equivalent To \$2,288,000,000, As Of January 14, 2022.** [Yahoo! Finance, accessed [01/14/22](#)]

NYK Line Paid ¥30,520,000,000 In Shareholder Dividends In The Six Months Ended September 30, 2021, Equivalent To \$268,576,000, As Of January 14, 2022:

	(Millions of yen)	
	Six months ended September 30, 2020	Six months ended September 30, 2021
[...]		
Cash dividends paid to shareholders	(3,391)	(30,520)

[NYK Line, [11/04/21](#)]

- **¥30,520,000,000 Was Equivalent To \$268,576,000, As Of January 14, 2022.** [Yahoo! Finance, accessed [01/14/22](#)]

China-Based COSCO Shipping Holdings, One Of The Biggest In The World, Saw Q3 2021 Net Profit Jump Over Ten Times As High As In Q3 2020 And Its Container Shipping Division Net Profits Skyrocketed 1603% To \$12.5 Billion.

China-Based COSCO Shipping Holdings Was The Third-Largest Shipping Company In The World As Of September 2020, With A Market Capitalization Of \$7.1 Billion. [Investopedia, [09/11/20](#)]

COSCO Offers "Container And Bulk Shipping, Terminal Operations, And Related Services." "Based in China, COSCO SHIPPING Holdings is a shipping services company offering container and bulk shipping, terminal operations, and related services." [Investopedia, [09/11/20](#)]

October 2021: COSCO's Container Shipping Division Reported A Net Profit Of \$12.5 Billion For The First Nine Months Of 2021, Up From \$733.9 Million In The First Nine Months Of 2020—A 1603% Increase. "Buoyant cargo demand and surging freight rates led Cosco's container shipping division to report a net profit of \$12.5 billion for the first nine months of the year, up from \$733.9 million in the same period last year." [Journal of Commerce, [10/29/21](#)]

COSCO Shipping Holdings' Q3 2021 Net Profit Was \$4.8 Billion, Over 10 Times Higher Than In Q3 2020. "Cosco Shipping Holdings saw a 10-fold year-on-year increase in net profit in the third quarter to \$4.8 billion, which was up from a \$3.4 billion net profit in the second quarter." [Journal of Commerce, [10/29/21](#)]

- **Headline: Demand, freight rates drive surge in Cosco profits** [Journal of Commerce, [10/29/21](#)]

Mitsui O.S.K. Lines Said "Profit Increased Sharply" Due To High Freight Rates Despite Port Congestion, Reported A Q2 2021 Ordinary Profit That Was 8.3 Times Higher Than In Q2 2020 And Projected Paying 5.3 Times More Shareholder Dividends In FY 2021 Than It Paid In FY 2020.

Japan-Based Mitsui O.S.K. Lines Ltd. Was The Fourth-Largest Shipping Company In The World As Of September 2020, With A Market Capitalization Of \$3.6 Billion. [Investopedia, [09/11/20](#)]

Mitsui O.S.K. Lines "Operates Container Ships, Ferries, Oil Tankers, And Specialized Vessels." "Mitsui O.S.K. Lines is a marine transportation, cargo handling and warehousing company based in Japan. The company transports a variety of materials including coal, grain, logs, cement, metals, cars, and paper and chemical products. Mitsui O.S.K. Lines operates container ships, ferries, oil tankers, and specialized vessels." [Investopedia, [09/11/20](#)]

Mitsui O.S.K. Lines Reported That "Profit Increased Sharply Year-On-Year" And Freight Rates "Rose Substantially" In Its Q2 2021, Despite Congestion In Its Routes Between Asia And North America. "Containerships [...] Liftings increased in a year-on-year comparison (a total increase of 10% for all routes combined) except for Asia/North America routes, which were affected by port and terminal congestion. Freight rates remained at higher-than-anticipated levels and rose substantially. Although some additional costs were incurred to maintain schedules, and so on, profit increased sharply year-on-year." [Mitsui O.S.K. Lines, [10/29/21](#)]

October 2021: Mitsui O.S.K. Lines Reported An Ordinary Profit Of ¥271,843,000,000, Equivalent To About \$2,365,034,100, In Its Second Fiscal Quarter, Ended September 30, 2021. [Mitsui O.S.K. Lines, [10/29/21](#)]

- **¥271,843,000,000 Was Equivalent To \$2,365,034,100, As of January 18, 2022.** [Yahoo! Finance, accessed [01/18/22](#)]

Mitsui O.S.K. Lines' Ordinary Profit Of ¥271,843,000,000 In Its Q2 2021 Was 8.3 Times Higher Than Its Q2 2020 Ordinary Profit Of ¥32,732,000,000. [Mitsui O.S.K. Lines, [10/29/21](#)]

- **271,843,000,000 Divided By 32,732,000,000 Equals 8.3.** [Google, accessed [01/18/22](#)]
- **"Ordinary Profit, Which Equals Operating Income After Adjustment For Non-Operating Gains/Losses, Is A Management Index That Is Widely Used In Japan."** [Sumitomo Realty & Development Co., Ltd., accessed [01/18/22](#)]

Mitsui O.S.K. Lines Forecasted A Full FY 2021 Ordinary Profit Of ¥480,000,000,000 In Its Q2 2021 Report. [Mitsui O.S.K. Lines, [10/29/21](#)]

Mitsui O.S.K. Lines Forecasted Paying A Shareholder Dividend Of ¥800 Per Share By The End Of Its FY 2021, 5.3 Times Higher Than It Paid In FY 2020:

2. Dividends

(¥)

	Dividend per share				
	Q1	Q2	Q3	Year -end	Total
FY2020	—	15.00	—	135.00	150.00
FY2021	—	300.00	—	—	—
FY2021 (Forecast)	—	—	—	500.00	800.00

[Mitsui O.S.K. Lines, [10/29/21](#)]

- **800 Divided By 150 Equals 5.3.** [Google, accessed [01/18/22](#)]

Hapag-Lloyd's Took More Net Profit In The First Six Months Of 2021 Than In The Previous 10 Years Combined And It Expected Operating Profit To Multiply Four-Fold In Its FY 2021, All While Giving Primary Credit To Higher Freight Rates.

Germany-Based Hapag-Lloyd AG Was The Fifth-Largest Shipping Company In The World, As of September 2020, With A Market Capitalization Of \$10.6 Billion. [Investopedia, accessed [01/18/22](#)]

Hapag-Lloyd's "Cargo Liner Ships Serve All Continents" And The Company Is Also "Involved In Shipping By Air, Road, Rail, And Inland Waterways." "German transportation company Hapag-Lloyd is a multinational whose cargo liner ships serve all continents. It stands among some big shipping companies on this list because, in addition to sea transport, it is involved in shipping by air, road, rail, and inland waterways." [Investopedia, accessed [01/18/22](#)]

August 2021: Hapag-Lloyd's Net Profit In The First Six Months Of 2021 Was Higher Than The Total Net Profit It Earned In The Previous Ten Years. "One of the world's largest shipping companies has reported first-half profits far in excess of those made over the past decade as a whole, illuminating how disruption to global supply chains is powering bumper profits for carriers. Hapag-Lloyd's net profit for the six months to June jumped tenfold over the previous year to €2.7bn as freight rates surged due to rampant demand for goods, bottlenecks at ports and a shortage of empty containers. That compares to a total net profit of €977m in the previous 10 years." [The Irish Times, [08/12/21](#)]

- **Headline: Shipping group Hapag-Lloyd earns more in 6 months than in previous 10 years** [Financial Times, [08/12/21](#)]

November 2021: Hapag-Lloyd "Reported A More Than 10-Fold Surge In Nine-Month Net Profit," Crediting "Record Freight Rates Amid Scarce Transport Capacity." "German container shipping line Hapag-Lloyd reported a more than 10-fold surge in nine-month net profit on Friday, citing record freight rates amid scarce transport capacity and rising transport volumes." [Reuters, [11/12/21](#)]

Hapag-Lloyd's Net Profit For The First Nine Months Of 2021 Was \$6.41 Billion, 10.4 Times Higher Than In The Same Period In 2020. "The world's fifth biggest operator said net profit climbed to 5.6 billion euros (\$6.41 billion) in the January-September period, from 538 million euros a year earlier." [Reuters, [11/12/21](#)]

- **€5,600,000,000 Divided By €538,000,000 Equals 10.4.** [Google, accessed [11/18/22](#)]

November 2021: Hapag-Lloyd Projected A "Four-Fold Increase In Its Operating Profit" From FY 2020 To FY 2021, Forecasting A Full-Year Profit Of \$12 To \$13 Billion. "Hapag-Lloyd has tacked on another \$1 billion to \$4 billion to its forecasts for 2021 operating profits, its second upward revision for the year, as shippers continue to bid up slot capacity and freight rates remain strong. The Hamburg-based ocean carrier said its 2021 operating profit should be in the range of 10.1 billion to 10.9 billion euros (US\$12 billion to \$13 billion), up from a previous projection of 7.6 billion to 9.3 billion euros in March. The latest forecast would represent a four-fold increase in operating profit from 2020." [Journal of Commerce, [11/01/21](#)]

- **Hapag-Lloyd Was Expected To Report Its Full FY 2021 Results On March 16, 2022.** "It will hold a capital markets day for investors on Nov. 17 and report its final 2021 earnings on March 16." [Reuters, [11/12/21](#)]

Hapag-Lloyd Expected Profits To Continue Amid "Severe Infrastructure Bottlenecks." "It expects earnings momentum to remain at a high level for the rest of the year while operators and customers across the globe will face more severe infrastructure bottlenecks due to the coronavirus crisis which has disrupted supply chains." [Reuters, [11/12/21](#)]

Hapag-Lloyd Benefited From A "66% Jump In Average Freight Rates" In The First Nine Months Of 2021. "Revenues in the first nine months increased by 60% to 15 billion euros, mainly due to a 66% jump in average freight rates to \$1,818 per 20-foot equivalent standard container units (TEU)." [Reuters, [11/12/21](#)]

Hapag-Lloyd Reported That Its 70% Jump In Revenue In The First Nine Months Of 2021 "Can Primarily Be Attributed To A Higher Average Freight Rate"—Meanwhile, The Company Reported That Transport Volumes Were Only Up 3%. "Revenues rose in the first nine months of 2021 by approximately 70 percent, to USD 17.9 billion (EUR 15.0 billion). The rise can primarily be attributed to a higher average freight rate of 1,818 USD/TEU (9M 2020: 1,097 USD/TEU). This significant increase is mainly the result of persistently high demand for container transports with scarce capacities at the same time. In addition, transport volumes were up to 8,980 TTEU and thereby 3 percent higher than the comparable figure for the previous year." [Hapag-Lloyd, [11/12/21](#)]

- **Headline: Hapag-Lloyd achieves extraordinary strong result in first nine months of 2021** [Hapag-Lloyd, accessed [01/18/22](#)]

August 2021: Hapag-Lloyd Said "It Expected To Pay A Healthy Dividend For 2021." "The company said in August it expected to pay a healthy dividend for 2021." [Reuters, [11/12/21](#)]