

# The Ocean Shipping Reform Act Will Help Guard Struggling Consumers Against The Five Biggest Container Shipping Profiteers, Who Saw Profits Soar By Over \$40.8 Billion Amid The Supply Chain Crisis

**SUMMARY:** The [Ocean Shipping Reform Act \(OSRA\)](#) is [bipartisan legislation](#) to help reform the shipping industry, which has "[never been more profitable](#)" despite "[massive shortages](#)" and a lingering supply chain crisis. The industry made 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.

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.

OSRA would serve as an important check against 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. And the legislation would go a long way to help American exporters and importers, who have been "[pleading](#)" with regulators to put a rein on these corporations.

Amidst all of this, a new Accountable.US review has found that **the world's top five biggest container shipping companies all saw profits soar by triple digit percentages—or \$40.86 billion—due to higher rates in their 2021 fiscal years, for a total of \$64.25 billion:**

- **Hapag-Lloyd** credited "[significantly improved freight rates](#)" for its "[exceptionally successful](#)" FY 2021, when its profit soared by 906% to [\\$10.75 billion](#) and its shareholder dividends jumped 211% to nearly [\\$700 million](#).
- **Maersk** saw record FY 2021 earnings "[driven](#)" in part by high rates, with profits jumping by 192% to [\\$24 billion](#) in its FY 2021 and a new [\\$5 billion](#) stock buyback program in its Q3 2021.
- **COSCO Shipping** enjoyed "[a steep jump in average freight rates](#)" while its profits leapt by 799% to over [\\$14 billion](#) in its FY 2021 and it went on to have "[strongest-ever first quarter](#)" in early 2022.
- The president of **Evergreen Marine** said "[I sleep very well every day. And I even smile in my dreams](#)" while talking about rates as the company saw its FY 2021 net profit jump nearly 881% to a record [\\$8.4 billion](#).
- **Orient Overseas Container Line (OOCL)** benefited from high rates in its [FY 2020](#) and [FY 2021](#) and reported that its FY 2021 profit leapt by 689% to over [\\$7.1 billion](#) while its board recommended a shareholder dividend of [\\$4.99 billion](#).

*\*Note: Some financial figures have been converted from their originally-reported currencies to \$USD; please see full research for details*

## **The Ocean Reform Shipping Act (OSRA) Would Help Reform Soaring Fees Charged By The Shipping Industry—Which Is "Dominated" By Just 10 Companies That Control 85% Of The Market And Has "Never Been More Profitable" Despite "Massive Shortages" And Crushing Consumer Costs.**

### **Amid Rising Inflation, The Ocean Shipping Reform Act (OSRA) Is Bipartisan Legislation To Help Reform The Shipping Industry's High Fees Amid What Over 100 Members Of Congress Have Called "Unfair, Anti-Competitive, And Likely Illegal Business Practices That Hurt Everyday Americans.."**

**March 31, 2022: The Ocean Reform Shipping Act (OSRA), Which Would "Ease Shipping Backlogs By Addressing Challenges At U.S. Ports," Unanimously Passed The U.S. Senate After Passing The U.S. House In Late 2021.** "Bipartisan legislation that aims to help tackle supply chain woes that have wreaked havoc on the U.S. economy is inching closer to President Biden's desk. The Ocean Shipping Reform Act was approved unanimously in the Senate chamber on Thursday after a version was approved in the House late last year. It aims to ease shipping backlogs by addressing challenges at U.S. ports, supporters said." [NPR, [04/01/22](#)]

- **December 2021: The House's Version Of OSRA Passed "With A Large Bipartisan Vote, 364-60."** "A version of the plan passed the House with a large bipartisan vote, 364-60, in December." [NPR, [04/01/22](#)]
- **The Senate And House Versions Of OSRA Had To Be Reconciled Before A Final Vote In Both Chambers.** "It now heads to conference committee where differences with the version that passed the US House in December will be reconciled before a final vote in both chambers." [World-Grain, [04/04/22](#)]

**The Biden Administration Praised OSRA Following Its Senate Passage, With White House Press Secretary Jen Psaki Noting That President Biden Called Out The Shipping Industry In His February 2022 State Of The Union Address.** "Momentum for the plan drew praise from the White House on Friday. White House press secretary Jen Psaki said Biden had called out ocean shipping carriers raising their rates during his February State of the Union address, saying 'these costs pass through to American businesses and families and contribute to inflation.'" [NPR, [04/01/22](#)]

**Both The Senate And House Versions Of OSRA Had Evenly Bipartisan Cosponsorships As Of April 4, 2022:**

- **H.R. 4996, The Ocean Shipping Reform Act Of 2021 Had 96 Cosponsors, 48 Of Which Were Democrats And 48 Of Which Were Republicans, As Of April 4, 2022.** [Congress.gov, [08/10/21](#)]
- **S. 3580, The Ocean Shipping Reform Act Of 2022 Had 30 Cosponsors, 15 Of Which Were Democrats And 15 Of Which Were Republicans, As Of April 4, 2022.** [Congress.gov, [02/03/22](#)]

**As Shipping "Bottlenecks" Played "A Key Role In The Country's Rising Inflation," OSRA Would Increase Requirements On The Shipping Industry.** "Bottlenecks forming for U.S. exports have played a key role in the country's rising inflation. The bill requires ocean carriers to certify that late fees comply with federal regulations or face penalties, prohibits carriers from unreasonably declining shipping opportunities for U.S. exports, and ramps up reporting requirements to the Federal Maritime Commission. It also empowers the commission to initiate probes of carrier's business practices and apply enforcement actions." [NPR, [04/01/22](#)]

**OSRA Would Reform Shipping Laws, Give A Key Federal Regulator More Authority, And Empower Businesses To Challenge Carrier Fees.** "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](#)]

**OSRA's House Sponsors Touted The Bill As 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](#)]

**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](#)]

**March 2021: Over 100 Members Of Congress Joined 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 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.**

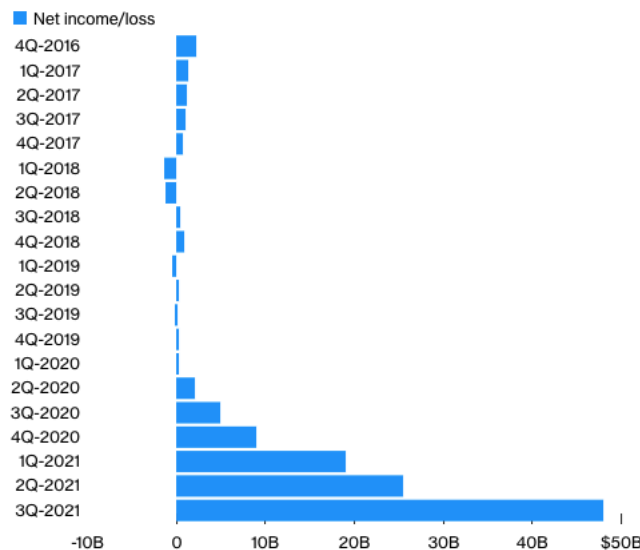
"The business dominated by a handful of European and Asian players now finds itself at the center of a logistics knot that shows few signs of improving, contributing to the highest inflation rate in the U.S. since 1990 and triggering massive shortages of such diverse items as medical supplies, semiconductors, 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](#)]

**The World's Biggest Container Shipping Companies Were Hapag-Lloyd, Maersk, COSCO Shipping, Evergreen Marine, And Orient Overseas Container Line (OOCL) As Of April 2022.**



**The World's Top Five Biggest Container Shipping Companies By Market Capitalization Were Hapag-Lloyd, Maersk, COSCO Shipping, Evergreen Marine, And Orient Overseas Container Line (OOCL), As Of April 4, 2022:**




1	 Hapag-Lloyd HLAG.DE	\$63.76 B	\$358.27	2.27%		 Germany
2	 Maersk DP4A.F	\$54.66 B	\$2,943	-1.04%		 Denmark
3	 COSCO Shipping 601919.SS	\$40.38 B	\$2.68	10.00%		 China
4	 Evergreen Marine 2603.TW	\$25.55 B	\$4.83	2.59%		 Taiwan
5	 Orient Overseas Container Line 0316.HK	\$18.51 B	\$28.03	4.87%		 Hong Kong

[CompaniesMarketCap.com, accessed [04/01/22](#)]

**Hapag-Lloyd—The World's Biggest Container Shipping Company By Market Capitalization—Credited "Significantly Improved Freight Rates" For Its "Exceptionally Successful" FY 2021, When Its Profit Soared By 906% To \$10.75 Billion And Its Shareholder Dividends Jumped 211% To Nearly \$700 Million.**

**Hapag-Lloyd—The World's Biggest Container Shipping Company With A Market Cap Of Over \$63 Billion—Has A Fleet Of Over 253 Ships And About 14,100 Employees.**

As Of April 1, 2022, Hapag-Lloyd Was The Biggest Container Shipping Company, With A Market Capitalization Of \$63.76 Billion:

1	 Hapag-Lloyd HLAG.DE	\$63.76 B	\$358.27	2.27%		 Germany
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[CompaniesMarketCap.com, accessed [04/01/22](#)]

**Hapag-Lloyd Has A Fleet Of 253 Container Ships And "Around 14,100 Employees And 421 Offices In 137 Countries."** "With a fleet of 253 modern container ships and a total transport capacity of 1.8 million TEU, Hapag-Lloyd is one of the world's leading liner shipping companies. The Company has around 14,100 employees and 421 offices in 137 countries. Hapag-Lloyd has a container capacity of approximately 3.1 million TEU - including one of the largest and most modern fleets of reefer containers." [Hapag-Lloyd AG, [03/10/22](#)]

**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](#)]

**Hapag-Lloyd Credited "Significantly Improved Freight Rates" For Its "Exceptionally Successful" FY 2021, In Which Its Group Net Result Soared 906% To \$10.75 Billion And Its Shareholder Dividends Jumped By 211% To About \$700 Million.**

**In Its FY 2021 Release, Hapag-Lloyd Highlighted A "Result Significantly Higher" Than Its FY 2020 Release And A "Very Successful Start" To Its FY 2022, With A "Strong Result Expected."** "Result significantly higher compared to prior year [...] Very successful start to the year - strong result expected for 2022" [Hapag-Lloyd AG, [03/10/22](#)]

**Hapag-Lloyd Credited "Significantly Improved Freight Rates" For Its Strong Financial Performance In Its FY 2021.** "Hapag-Lloyd published its audited annual report for the 2021 financial year today. In the reporting year, Hapag-Lloyd's EBITDA increased to slightly more than USD 12.8 billion (approximately EUR 10.9 billion). The EBIT rose to USD 11.1 billion (approximately EUR 9.4 billion), and the Group net result improved to around USD 10.8 billion (EUR 9.1 billion). The main drivers of these positive business developments have been significantly improved freight rates resulting from very strong demand for goods exported from Asia." [Hapag-Lloyd AG, [03/10/22](#)]

**Hapag-Lloyd Benefited From A "66% Jump In Average Freight Rates" In The First Nine Months Of Its FY 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](#)]

**Hapag-Lloyd CEO Rolf Habben Jansen Called FY 2021 "An Exceptionally Successful Year" In Which The Company "Significantly Strengthened Our Financial And Asset Position."** "We look back on an exceptionally successful year in which we invested massively in modern vessels and new containers. In addition, we have significantly strengthened our financial and asset position. However, transport expenses have unfortunately also risen significantly, mainly due to the bottlenecks in the global supply chains," said Rolf Habben Jansen, CEO of Hapag-Lloyd AG." [Hapag-Lloyd AG, [03/10/22](#)]

**Hapag-Lloyd Expected "Earnings To Be Very Strong In The First Half Of 2022."** "Looking ahead, Hapag-Lloyd expects earnings to be very strong in the first half of 2022. Moreover, it anticipates that the strained situation in the global supply chains will ease in the second half of the year, which should lead to a beginning of normalization of earnings. EBITDA is expected to be in the range of USD 12 to 14 billion (EUR 10.7 to 12.4 billion) and EBIT to be in the range of USD 10 to 12 billion (EUR 8.9 to 10.7 billion)." [Hapag-Lloyd AG, [03/10/22](#)]

**Q4 2021: Hapag-Lloyd's Group Net Result Was \$4.095 Billion—\$3.632 Billion Or 784% More Than Its Q4 2020 Group Net Result Of \$463 Million:**

	Q4 2021	Q4 2020
	[...]	
Group net result (USD million)	4,095	463

[Hapag-Lloyd AG, [03/10/22](#)]

**FY 2021: Hapag-Lloyd's Group Net Result Was \$10.750 Billion—\$9.682 Billion Or 906% More Than Its FY 2020 Group Net Result Of \$1.068 Billion:**

2021	2020	2021 versus 2020
	[...]	
10,750	1,068	9,683

[Hapag-Lloyd AG, [03/10/22](#)]

**FY 2021: Hapag-Lloyd Spent About \$699.95 Million On Shareholder Dividends—\$475.1 Million Or 211% More Than The \$224.85 Million It Spent In Its FY 2020:**

million EUR	1.1.–31.12.2021	1.1.–31.12.2020
	[...]	
Payments made for dividends	-633.5	-203.5

[Hapag-Lloyd AG, [2021](#)]

- **€633.5 Million Was Equivalent To \$699.95 Million, As Of April 1, 2022:**

**1 Euro = 1.1049 United States Dollar**

633.5	EUR - Euro
699.95	USD - U...

[Yahoo! Finance, accessed [04/01/22](#)]

- **€203.5 Million Was Equivalent To \$224.85 Million, As Of April 1, 2022:**

**1 Euro = 1.1049 United States Dollar**

203.5	EUR - Euro
224.85	USD - U...

[Yahoo! Finance, accessed [04/01/22](#)]

**Hapag-Lloyd Was Among Several Major Shipping Companies Subject To A Congressional Probe Seeking Information About "Exorbitant Fees And Surcharges," And Other "Predatory Business Practices During The Pandemic."**

**March 2022: Hapag-Lloyd And Other Major Shipping Companies Were Asked By The Select Subcommittee On The Coronavirus Crisis To Provide More Information About Their Container Rate Increases Amid Reports Of "Exorbitant Fees And Surcharges."** "Leaders of the Select Subcommittee on the Coronavirus Crisis and the Subcommittee on Economic and Consumer Policy — which operate under the House Committee on Oversight and Reform — sent letters on Wednesday to heads of Maersk, CMA CGM and Hapag-Lloyd requesting information about their container rate increases and reports over the past year of exorbitant fees and surcharges." [American Shipper, [03/03/22](#)]

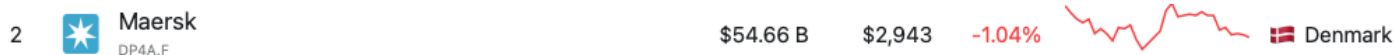


- **The Select Subcommittee's Letter Said That CMA CGM And Other Shipping Companies "May Have Engaged In Predatory Business Practices During The Pandemic."** "We are deeply concerned that [Maersk, CMA CGM and Hapag-Lloyd] may have engaged in predatory business practices during the pandemic, making scores of essential goods needlessly expensive for consumers and small businesses.' [...] "CMA CGM itself acknowledged that its increase in operating costs has been 'far more than compensated by the growth of shipping revenue, thus explaining the sharp increase in profitability', they wrote to CMA CGM CEO Rodolphe Saadé." [American Shipper, [03/03/22](#)]

**Maersk—The World's Second-Biggest Container Shipping Company By Market Cap—Saw Record FY 2021 Earnings "Driven" In Part By Higher Rates, With Profits Jumping 192% To \$24 Billion In Its FY 2021 And A New \$5 Billion Stock Buyback Program In Its Q3 2021.**

**Maersk, The World's Second-Biggest Container Shipping Company With A Market Cap Of Over \$54 Billion, Transports About A Fifth Of All Containers On Its Ships.**

As Of April 1, 2022, Maersk Was The Second-Biggest Container Shipping Company, With A Market Capitalization Of \$54.66 Billion:



[CompaniesMarketCap.com, accessed [04/01/22](#)]

**Denmark-Based Maersk "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](#)]

**Maersk "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](#)]

**Maersk Had Record Earnings In 2021, "Driven" In Part By Higher Ocean Shipping Rates, With Earnings Leaping 192% To \$24 Billion—Previously, Maersk Saw Q3 2021 Profits Quintuple Due To "Dramatically" Higher Freight Costs As It Announced A \$5 Billion Stock Buyback Program.**

**In Its FY 2021, Maersk Said Its Ocean Shipping Operations' "Profitability Increased Substantially," "Driven By High Rates."** "Within Ocean, profitability increased substantially with a revenue of USD 48.2bn in 2021, compared to USD 29.2bn previous year, driven by high freight rates due to the ongoing impact from the pandemic that has resulted in disruptions of global supply chains." [Maersk, [02/09/22](#)]

- **December 2021: Maersk 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](#)]

- **November 2021: "Surging" Shipping Costs Propelled Maersk 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](#)]
- **Maersk'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](#)]

**Maersk "Earned More Money In 2021 Than In Any Other Year In Its History: \$24 Billion."** "Maersk, the world's second largest liner operator, earned more money in 2021 than in any other year in its history: \$24 billion. It now predicts 2022 will be just as strong, but take that with a grain of salt. Maersk has a proven track record of being way too low in its guidance." [American Shipper, [02/09/22](#)]

**Maersk Touted "Record Earnings For 2021," Which It Called "An Exceptional Year."** "Maersk delivers record earnings for 2021, which was an exceptional year with focus on mitigating supply chain risks for customers while strengthening the integrated logistics offering." [Maersk, [02/09/22](#)]

**Maersk CEO Søren Skou Touted "'Record-High Growth And Profitability'" In Its FY 2021.** "Exceptional market conditions led to record-high growth and profitability in A.P. Moller - Maersk, however it also led to supply chain disruptions and severe challenges for our customers. [...] Søren Skou CEO of A.P. Moller – Maersk" [Maersk, [02/09/22](#)]

**Maersk's FY 2021 EBITDA Was \$24.036 Billion—\$15.810 Billion Or 192% Higher Than Its FY 2020 EBITDA Of \$8.226 Billion:**

EBITDA

USD million	2021	2020
	[...]	
A.P. Moller - Maersk consolidated	24,036	8,226

[Maersk, [02/09/22](#)]

- **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](#)]

**Maersk's Q4 2021 EBITDA Was \$7.990 Billion—\$5.279 Billion Or \$194% Higher Than Its Q4 2020 EBITDA Of \$2.711 Billion:**

EBITDA

USD million	2021	2020
	[...]	
A.P. Moller - Maersk consolidated	7,990	2,711

[Maersk, [02/09/22](#)]

**Maersk Expected A "Strong First Half" Of 2022.** "The Danish company said it expects a 'strong first half' of 2022 and assumes that the supply chain issues and freight rates will begin to normalize early in the second half of the year." [Barron's, [02/09/22](#)]

## **FY 2021: Maersk Spent \$2 Billion On Stock Buybacks As Part Of A New \$5 Billion Stock Buyback Program It Authorized In May 2021, Spent \$1 Billion On Shareholder Dividends, And Spent About \$4.6 Billion On Acquisitions.**

**FY 2021: Maersk Spent \$2 Billion On Stock Buybacks And \$1 Billion On Shareholder Dividends.** "Total equity increased to USD 45.6bn (USD 30.9bn) due to a net profit of USD 18.0bn offset by dividends of USD 1.0bn and share repurchase of USD 2.0bn, resulting in an equity ratio of 63.1% (55.0%)." [Maersk, [2021](#)]

**May 2021: Maersk 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](#)]

**In 2021, Maersk 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](#)]

## **Maersk Was Among Several Major Shipping Companies Subject To A Congressional Probe Seeking Information About "Exorbitant Fees And Surcharges," And Other "Predatory Business Practices During The Pandemic."**


**March 2022: Maersk And Other Major Shipping Companies Were Asked By The Select Subcommittee On The Coronavirus Crisis To Provide More Information About Their Container Rate Increases Amid Reports Of "Exorbitant Fees And Surcharges."** "Leaders of the Select Subcommittee on the Coronavirus Crisis and the Subcommittee on Economic and Consumer Policy — which operate under the House Committee on Oversight and Reform — sent letters on Wednesday to heads of Maersk, CMA CGM and Hapag-Lloyd requesting information about their container rate increases and reports over the past year of exorbitant fees and surcharges." [American Shipper, [03/03/22](#)]

**The Select Subcommittee's Letter Said That CMA CGM And Other Shipping Companies "May Have Engaged In Predatory Business Practices During The Pandemic."** "We are deeply concerned that [Maersk, CMA CGM and Hapag-Lloyd] may have engaged in predatory business practices during the pandemic, making scores of essential goods needlessly expensive for consumers and small businesses.' [...] "CMA CGM itself acknowledged that its increase in operating costs has been 'far more than compensated by the growth of shipping revenue, thus explaining the sharp increase in profitability', they wrote to CMA CGM CEO Rodolphe Saadé." [American Shipper, [03/03/22](#)]

**COSCO Shipping—The World's Third-Biggest Container Shipping Company By Market Cap—Enjoyed "A Steep Jump In Average Freight Rates" While Its Profits Leaped By 799% To Over \$14 Billion In Its FY 2021 And It Went On To Have "Strongest-Ever First Quarter" In Early 2022.**

**COSCO Shipping, The World's Third-Biggest Container Shipping Company With A Market Cap Of \$40.38 Billion, Owns And Operates Over 403 Container Ships And Also Operates Terminals And Related Services.**

As Of April 1, 2022, COSCO Shipping Was The Third-Biggest Container Shipping Company, With A Market Capitalization Of \$40.38 Billion:

3  COSCO Shipping  
601919.SS \$40.38 B \$2.68 10.00%   China

[CompaniesMarketCap.com, accessed [04/01/22](#)]

**COSCO Shipping Lines, A Subsidiary Of COSCO Shipping Holdings Co. Ltd., Owned And Operated 403 Container Ships As Of February 2022.** "COSCO SHIPPING Lines is a fully-owned subsidiary of COSCO SHIPPING Holdings Co., Ltd. (hereinafter referred to as COSCO SHIPPING Holdings), registered in Hongkou District (Shanghai) with a registered capital of 23.664 billion Yuan. Company is mainly engaged in domestic and international maritime container transport services and related businesses, as the group's core business sector." [COSCO Shipping Holdings Co., Ltd., accessed [04/01/22](#)]

- **As Of February 2022, COSCO Shipping Owned And Operated 403 Container Ships.** "By the end of February 2022, the Company owned and operated 403 container vessels with a total capacity of 2.2 million TEUs (COSCO SHIPPING Holdings owned and operated 511 container vessels with a total capacity of 3.0 million TEUs, ranking the 4th place in the world in terms of shipping capacity)." [COSCO Shipping Holdings Co., Ltd., accessed [04/01/22](#)]

**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](#)]

**COSCO, Which Enjoyed "A Steep Jump In Average Freight Rates" In Its FY 2021, Saw Profits Jump By 799% To Over \$14 Billion In Its FY 2021 And Went On To Have Its "Strongest-Ever First Quarter Amid Supply Chain Chaos" In 2022.**

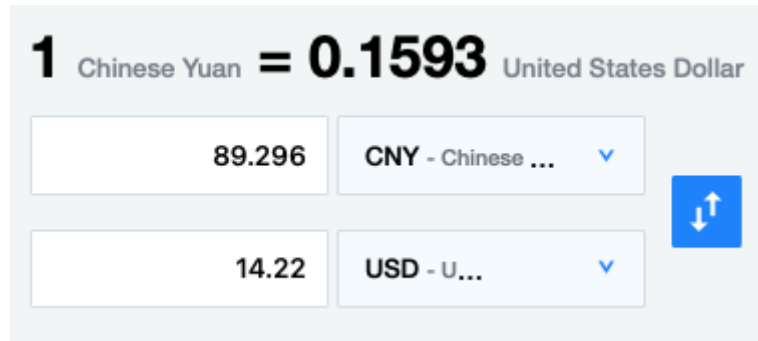
**COSCO Shipping Holdings Enjoyed "A Steep Jump In Average Freight Rates" In Its FY 2021.** "Cosco Shipping Holdings Co. shares are trading higher in the morning session after the Chinese shipping company released guidance for a steep rise in first-quarter profit. [...] The higher guidance comes after the company's net profit soared in 2021, roughly in line with analyst expectations, as a steep jump in average freight rates pushed revenue to nearly double to CNY333.7 billion." [MarketWatch, [03/31/22](#)]

**FY 2021: COSCO Shipping Holdings' Profit Attributable To Shareholders Was About \$14.2 Billion—\$12.6 Billion Or 799% More Than In Its FY 2020.** "The leading integrated container shipping service provider, COSCO SHIPPING Holdings CO., Ltd. ('COSCO SHIPPING Holdings' or 'the Company') (SSE:601919)(HKEx:1919) announced today its annual results for the twelve months ended 31 December 2021 (the 'Reporting Period'). [...] Profit attributable to equity holders was RMB89.296 billion for 2021, representing an increase of RMB79.369 billion or 799.52% year-on-year." [Yahoo! Finance, [03/30/22](#)]

- **China's RMB (Renminbi) Is Known By Its International Symbol CNY (Yuan).** "When reading news and analysis of this event, you might see both terms—'renminbi' and 'yuan'—used

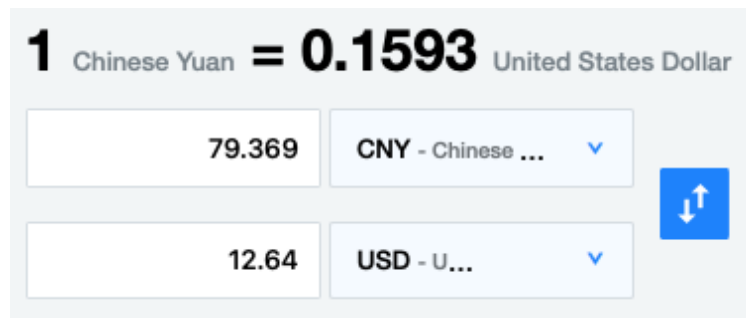
interchangeably. There is essentially no difference. The renminbi is the official currency of the People's Republic of China, and translates to 'people's money.' Its international symbol is CNY (or CNH in Hong Kong; but abbreviated RMB, with the symbol ¥)." [Brookings Institution, [08/19/15](#)]

- **89.296 Billion CNY Was Equivalent To \$14.22 Billion, As Of April 1, 2022:**



[Yahoo! Finance, accessed [04/01/22](#)]

- **79.369 Billion CNY Was Equivalent To \$12.64 Billion, As Of April 1, 2022:**



[Yahoo! Finance, accessed [04/01/22](#)]

**FY 2021: COSCO Shipping Holdings' Earnings Before Interest And Tax (EBIT) Was About \$20.38 Billion.** "The leading integrated container shipping service provider, COSCO SHIPPING Holdings CO., Ltd. ('COSCO SHIPPING Holdings' or 'the Company') (SSE:601919)(HKEx:1919) announced today its annual results for the twelve months ended 31 December 2021 (the 'Reporting Period'). [...] The company's earnings before interest and tax (EBIT) in 2021 was RMB131.5 billion (about USD20.38 billion)." [Yahoo! Finance, [03/30/22](#)]

- **EBIT Is "An Indicator Of A Company's Profitability."** "Earnings before interest and taxes (EBIT) is an indicator of a company's profitability." [Investopedia, accessed [12/09/21](#)]

**April 2022: COSCO Shipping Holdings Had Its "Strongest-Ever First Quarter Amid Supply Chain Chaos And Port Congestion."** "State-owned Cosco Shipping Holdings experienced its strongest-ever first quarter amid supply chain chaos and port congestion" [Lloyd's List, [04/01/22](#)]

- **Headline: COSCO expects record first-quarter profits** [Lloyd's List, [04/01/22](#)]

**The President Of Evergreen Marine—The Fourth-Biggest Container Shipping Company By Market Cap—Said "I Sleep Very Well Every Day. And I Even Smile In My Dreams" While Talking About Rates As The Company Saw Its FY 2021 Net Profit Jump 881% To A Record \$8.4 Billion.**



## **Evergreen Marine, The Fourth-Biggest Container Shipping Company With A Market Cap Of Over \$25 Billion, Has Over 204 Vessels—Including Some Of "The World's Largest Container Ships."**

**As Of April 1, 2022, Evergreen Marine Was The Fourth-Biggest Container Shipping Company, With A Market Capitalization Of \$25.55 Billion:**



[CompaniesMarketCap.com, accessed [04/01/22](#)]

**Evergreen Line's Fleet Had Over 204 Vessels, Including Some Of "The World's Largest Container Ships."** "7. Evergreen Line [...] A shipping conglomerate based in Taiwan, the Evergreen Marine Corporation was founded in 1968 by Dr Yung-Fa Chang, a visionary in his own right. At present, the company has offices established worldwide and with an operational capacity of more than 204 container ships and a container carrying capacity of 1,477,644 TEU. It is regarded to be one of the largest cargo shipping companies in the world. Currently, Evergreen Line has the world's largest container ships in its fleet." [Marine Insight, [01/16/22](#)]

## **Evergreen Marine—Whose President Said "I Sleep Very Well Every Day. And I Even Smile In My Dreams" While Discussing The Company's "Record Freight Rates"—Saw Its Net Profit Climb 881% To A Record \$8.4 Billion In Its FY 2021.**

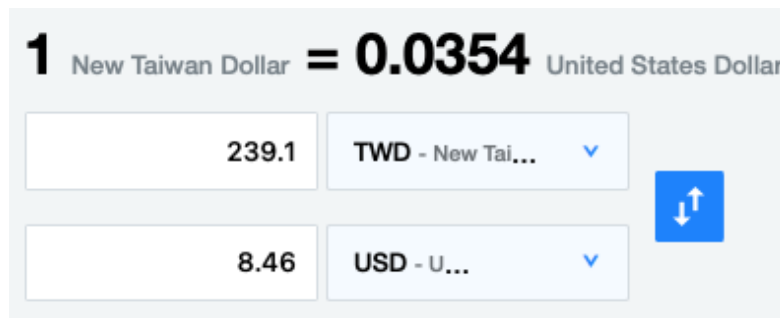
**While Discussing Freight Rates, Evergreen Marine's President Hsieh Huey-Chuan Said, "I Sleep Very Well Every Day. And I Even Smile In My Dreams."** "Evergreen Marine President Hsieh Huey-chuan (謝惠全) said the capital reduction is aimed at adjusting the company's capital structure and bolstering shareholder returns. [...] Hsieh was upbeat about the industry's prospects in 2022, saying that freight rates are likely to move higher because of a shortage of cargo shipping capacity and lingering port congestion. 'I sleep very well every day. And I even smile in my dreams,' Hsieh said." [Focus Taiwan, [03/16/22](#)]

**Evergreen Has Seen Extra Profits From "Soaring Container Freight Fees" And Its President Has Reportedly Told Investors That The Company Has Benefited From "Record Freight Rates," Noting That Container Fees Had Surpassed \$10,000.** "Soaring container freight rates has boosted Evergreen's profits this year." [Insider, [12/31/21](#)]

- **November 2021: Evergreen President Eric Hsieh Reportedly Told Investors That "Record Freight Rates" Benefited The Company.** "Evergreen attributed its third-quarter revenue growth to record freight rates, backed by tight supply due to long-standing and unsolved congestion at seaports amid the COVID-19 pandemic, company president Eric Hsieh (謝惠全) told an investors' conference in Taipei on Friday." [Taipei Times, [11/09/21](#)]
- **Hsieh Said, "The Cost Of Shipping A Container To The US Or Europe Has Surpassed US\$10,000, A Rate Hardly Seen In The Past."** "The cost of shipping a container to the US or Europe has surpassed US\$10,000, a rate hardly seen in the past,' Hsieh said." [Taipei Times, [11/09/21](#)]

**FY 2021: Evergreen Marine Had A "Record Net Profit" Of About \$8.4 Billion—Nearly 881% More Than Its FY 2020 Net Profit.** "In 2021, Evergreen Marine posted record net profit of NT\$239.01 billion, up 880.98 percent from a year earlier, increasing its net worth per share to NT\$61.76." [Focus Taiwan, [03/16/22](#)]

- **NT\$239.01 Billion Was Equivalent To \$8.46 Billion, As Of April 1, 2022:**

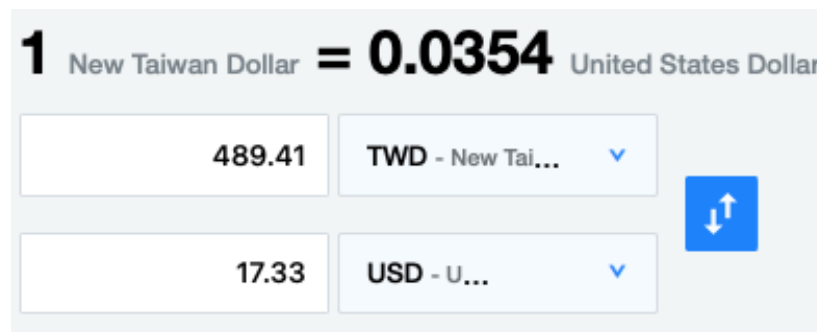


[Yahoo! Finance, accessed [04/01/22](#)]

**FY 2021: Evergreen Marine's Consolidated Net Sales Rose Over 136% To About \$17.3 Billion.**

"Consolidated sales rose 136.34 percent to a new high of NT\$489.41 billion." [Focus Taiwan, [03/16/22](#)]

- **NT\$489.41 Billion Was Equivalent To \$17.33 Billion, As Of April 1, 2022:**



[Yahoo! Finance, accessed [04/01/22](#)]

**In The First Three Quarters Of 2021, Evergreen Saw Net Profits Jump 1,300% To \$5.7 Billion Compared To The Same Period In 2020.** "Evergreen reported a 1300% year-over-year jump in net profits in the first three quarters of 2021." [Insider, [12/31/21](#)]

- **Evergreen Made \$5.7 Billion In The First Three Quarters Of 2021.** "The payouts are on the back of Evergreen reporting a net profit of NT\$158.27 billion (\$5.7 billion) for the first three quarters of 2021, according to its latest quarterly report." [Insider, [12/31/21](#)]

**Q3 2021: Evergreen's Net Profit Hit "A Record High."** "Net profit also hit a record high in the third quarter." [Insider, [12/31/21](#)]

- **Evergreen Had A Net Profit Of \$2.88 Billion In Its Q3 2021.** "Evergreen Marine Corp (長榮海運) on Friday reported record net profit of NT\$80.13 billion (US\$2.88 billion) for last quarter, up 880 percent from a year earlier, as high freight rates boosted its revenue and gross margin." [Taipei Times, [11/09/21](#)]

**At The End Of 2021, Evergreen's Profitability Allowed It To Award "Year-End Bonuses Totaling Some 40 Months Of Salary To Some Employees."** "Taiwanese container shipping company Evergreen Marine has reportedly dished out year-end bonuses totaling some 40 months of salary to some employees. The generous bonuses came in a bumper year for shipping despite Evergreen's troubles earlier this year when a giant container ship it chartered — the Ever Given — got stuck in the Suez Canal, disrupting already strained global shipping routes." [Insider, [12/31/21](#)]

- **Headline: Evergreen Hands Out Huge Bonuses for Record-Setting Year** [Maritime Executive, [12/31/21](#)]

**Orient Overseas Container Line—The Fifth-Biggest Shipping Company By Market Cap—Benefited From High Rates In Its FY 2020 And FY 2021 And Reported That Its FY 2021 Profit Leaped By 689% To Over \$7.1 Billion While Its Board Recommended A Shareholder Dividend Of \$4.99 Billion.**

**Orient Overseas Container Line (OOCL), The Fifth-Biggest Shipping Company With A Market Cap Of Over \$18.5 Billion, Offers Container Transportation And Logistics In The Americas, Asia, Europe, Africa, And Australasia.**

As Of April 1, 2022, Orient Overseas Container Line (OOCL) Was The Fifth-Biggest Container Shipping Company, With A Market Capitalization Of \$18.51 Billion:

5  Orient Overseas Container Line \$18.51 B \$28.03 4.87%   Hong Kong  
0316.HK

[CompaniesMarketCap.com, accessed [04/01/22](#)]

**OOCL Is "One Of The World's Largest Integrated International Container Transportation And Logistics Companies," Operating In The Americas, Asia, Europe, Africa, And Australasia.** "OOCL is one of the world's largest integrated international container transportation and logistics companies. As one of Hong Kong's most recognized global brands, OOCL provides customers with fully-integrated logistics and containerized transportation services, with a network that encompasses Asia, Europe, the Americas, Africa and Australasia." [Orient Overseas Container Line, accessed [04/04/22](#)]

**OOCL Is A Wholly-Owned Subsidiary Of Orient Overseas (International) Limited, Its Holding Company.**

"Orient Overseas Container Line' and 'OOCL' are trade names for transportation provided separately by: Orient Overseas Container Line Limited ('OOCLL') and OOCL (Europe) Limited respectively and both are wholly-owned subsidiaries of Orient Overseas (International) Limited, a public company (0316) listed on the Hong Kong Stock Exchange." [Orient Overseas Container Line, accessed [04/04/22](#)]

- **OOCL's Holding Company Is Orient Overseas (International) Limited.** "Hong Kong's Orient Overseas Container Line recorded its highest ever profit, revenue, and liftings last year amid surging freight rates and strong demand, its listed holding company Orient Overseas (International) Limited said Friday." [Journal of Commerce, [03/26/21](#)]

**OOCL—Which Saw "Major Increases In Container Freight Rates" In Early 2022 After Seeing Record-Breaking Profit In Its FY 2020 Due To "Surging Freight Rates"—Saw Its FY 2021 Profit Leap By 689% To Over \$7.1 Billion While Its Board Recommended A Shareholder Dividend Of \$4.99 Billion.**

**OOCL Saw "Major Increases In Container Freight Rates" As Of January 2022, After Posting Its "Highest Ever Profit" Amid High Freight Rates In March 2021.** "Orient Overseas Container Line (OOCL) has doubled its yearly revenues on 2020 levels, seeing major increases in container freight rates." [Port Technology, [01/25/22](#)]

- **March 2021: OOCL's Holding Company Orient Overseas (International) Limited Reported "Its Highest Ever Profit, Revenue, And Liftings Last Year Amid Surging Freight Rates."** "Hong Kong's Orient Overseas Container Line recorded its highest ever profit, revenue, and liftings last year amid surging freight rates and strong demand, its listed holding company Orient Overseas (International) Limited said Friday." [Journal of Commerce, [03/26/21](#)]

**FY 2021: OOCL Parent Orient Overseas (International) Limited Saw A Profit Of Over \$7.1 Billion—Over \$6.2 Billion Or 689% More Than Its FY 2020 Profit Of Over \$903 Million:**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
*For the year ended 31st December 2021*

US\$'000		2021	2020
	[...]		
<b>Profit for the year</b>		<b>7,128,409</b>	<b>903,018</b>

[Orient Overseas Container Line, [03/25/22](#)]

- **OOCL Press Release: Orient Overseas (International) Limited Announces 2021 Full Year Results** [Orient Overseas Container Line, [03/25/22](#)]
- **OOCL Is A Wholly-Owned Subsidiary Of Orient Overseas (International) Limited.** "Orient Overseas Container Line' and 'OOCL' are trade names for transportation provided separately by: Orient Overseas Container Line Limited ('OOCLL') and OOCL (Europe) Limited respectively and both are wholly-owned subsidiaries of Orient Overseas (International) Limited, a public company (0316) listed on the Hong Kong Stock Exchange." [Orient Overseas Container Line, accessed [04/04/22](#)]

**OOCL Parent Orient Overseas (International) Limited Touted The "Highest Ever Revenue, Liftings And Profit Figures For Our Core Container Shipping And Logistics Business"—Which It Said "Surpassed Even The Outstanding Outcome For 2020."** "Our results for 2021, which include the highest ever revenue, liftings and profit figures for our core container shipping and logistics business, surpassed even the outstanding outcome for 2020." [Orient Overseas Container Line, [03/25/22](#)]

**OOCL Parent Orient Overseas (International) Limited Boasted That Its "Financial Position Remains One Of The Most Robust In The Industry."** "Group financial position remains one of the most robust in the industry." [Orient Overseas Container Line, [03/25/22](#)]

**OOCL Parent Orient Overseas (International) Limited Recommended A Dividend Of \$4.99 Billion, 70% Of Its FY 2021 Profit.** "Recommended Dividend for Full Year 2021 is 70% of the Profit Attributable to Equity Holders at approximately US\$4,990 million." [Orient Overseas Container Line, [03/25/22](#)]

- **The Dividend Was Recommended By The Board Of Directors Of OOCL's Parent, Orient Overseas (International) Limited.** "The Board of Directors has recommended that the dividend for full year 2021 is 70% of the Profit Attributable to Equity Holders at approximately US\$4,990 million, with proposed payment of a final dividend of US\$2.61 per ordinary share and a second special dividend of US\$0.69 per ordinary share for 2021." [Orient Overseas Container Line, [03/25/22](#)]

**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](#)]

**March 2022: President Biden Announced A Set Of Initiatives To "Ramp Up Regulatory Oversight Of The Container Shipping Industry," While Calling Out Global Shipping Alliances 2M, Ocean Alliance, And THE Alliance For Reaping Soaring Profits While Contributing To Port Congestion.**

**In March 2022, President Biden Announced A Set Of Initiatives To "Ramp Up Regulatory Oversight Of The Container Shipping Industry," Including A Joint Initiative Between The Federal Maritime Commission And The Department Of Justice And New Audit Program, While Calling On Congress To Pass Antitrust Immunity Reforms.**

**March 2022: President Biden Announced A Set Of Initiatives That Will "Ramp Up Regulatory Oversight Of The Container Shipping Industry," Whose Capacity-Sharing Alliances Among Large Shipping Companies Have Contributed To Consumer Price Inflation.** "President Biden announced March 1 new initiatives that will ramp up regulatory oversight of the container shipping industry, calling it a contributor to consumer price inflation through the use of capacity-sharing alliances among the major shipowners." [S&P Global, [03/02/22](#)]

**The Federal Maritime Commission (FMC) And Department Of Justice (DOJ) Announced A Joint Initiative To "Promote Competition In The Ocean Freight Transportation System," With The DOJ Providing The FMC Resources To Enforce Violations Of The Shipping Act And The FMC Providing The DOJ Maritime Industry Expertise.** "Today, the FMC and the Department of Justice (DOJ) are announcing a new joint initiative to promote competition in the ocean freight transportation system. Under the new initiative, DOJ will provide the FMC with the support of attorneys and economists from the Antitrust Division for enforcement of violations of the Shipping Act and related laws. The FMC will provide the Antitrust Division with support and maritime industry expertise for Sherman Act and Clayton Act enforcement actions. The agencies' announcement explains that competition in the maritime industry is integral to lowering prices, improving quality of service, and strengthening the resilience of supply chains." [The White House, [02/28/22](#)]

**The FMC, In Its Promise To Ramp Up Oversight, Established A New Audit Program To Address Complaints That Led To 42 Cases Being Investigated And Launched A Data Initiative To "Identify Data Constraints That Are Adding To Supply Chain Congestion."** "The FMC will continue ramping up oversight of the global ocean shipping industry. Since last summer, the FMC has established a new audit program backed by an audit team to address complaints about carriers charging unfair fees, demanded justification from the carriers about their fees, launched 42 cases investigating port congestion charges, and took steps to address barriers to filing complaints at the FMC and to prevent retaliation against complainants. It also launched a new data initiative to identify data constraints that are adding to supply chain congestion. This month, the FMC also sought comments on reforms to how carriers charge shippers fees." [The White House, [02/28/22](#)]

**The President All Called On Congress To Pass Reforms To Address The Current Antitrust Immunity For Ocean Shipping Alliances.** "In addition to the important administrative actions announced today, the President believes Congress should provide additional tools for the Administration to address problems in the ocean shipping industry. The President is encouraged by action in both Houses of Congress to address these problems. He is calling on Congress to also address the immunity of alliance agreements from antitrust scrutiny under current law." [The White House, [02/28/22](#)]

**The White House Specifically Called Out Global Shipping Alliances: 2M, Ocean Alliance, And THE Alliance, Which Control 80% Of Global Container Ship**

## **Capacity, Have Raised Prices By 1,000%, And Saw "Elevated Profits And Soaring Profit Margins" While Directly Contributing To Port Congestion.**

**The White House Called Out Three Global Alliances – 2M, Oceans Alliance, And THE Alliance – That Control Almost All Of Ocean Freight Shipping, Which Threatens "National Security And Economic Competitiveness."** "Three global alliances, made up entirely of foreign companies, control almost all of ocean freight shipping, giving them power to raise prices for American businesses and consumers, while threatening our national security and economic competitiveness,' the statement from the White House said. The three container shipping alliances, 2M, Oceans Alliance, and THE Alliance, were formed in 2017 to share space on ships as a means of controlling oversupply that diminished profits for many years, threatening some carriers with bankruptcy. Among the members and partners of the three alliances are all 10 of the largest shipping firms in the world, including Geneva-based MSC, Copenhagen-based A.P. Moller-Maersk, and Marseille-based CMA CGM." [S&P Global, [03/02/22](#)]

**A Group Of Ocean Freight Companies Have Formed Global Alliances That "Now Control 80% Of Global Container Ship Capacity."** "Most traded goods—everything from the housewares you buy online to the agricultural products American farmers market overseas—are transported by ocean freight companies. These companies have formed global alliances—groups of ocean carrier companies that work together—that now control 80% of global container ship capacity and control 95% of the critical East-West trade lines." [The White House, [02/28/22](#)]

**President Biden Accused These Foreign-Owned Companies Of Raising Prices By As Much As 1,000%.** "During the pandemic, these foreign-owned companies raised prices by as much as 1,000% and made record profits. Tonight, I'm announcing a crackdown on these companies overcharging American businesses and consumers,' Biden said." [S&P Global, [03/02/22](#)]

**These Ocean Carrier Companies Have Experienced "Elevated Profits And Soaring Profit Margins," With Some Estimates Suggesting The Industry Reaping A "Record \$190 Billion In Profits In 2021" And The Average Operating Margin Rising To 56%, Compared To 3.7% Two Years Earlier.** "Meanwhile, the ocean carrier companies are experiencing elevated profits and soaring profit margins. Estimates suggest that the container shipping industry made a record \$190 billion in profits in 2021, a seven-fold increase from the previous year and five times what it made over the entire period from 2010-2020. Profit margins have increased by even larger amounts. **In the third quarter of 2021, the average operating margin of the major carriers was about 56%, compared to an average operating margin of 3.7% two years earlier.**" [The White House, [02/28/22](#)]

**The Carriers Pursue Practices "That Directly Contribute To Port Congestion," That Increase Trucker Waiter Timing While Generating Even High Detention And Demurrage Fees For Ocean Carriers.** "The carriers have also continued to pursue practices that directly contribute to port congestion, such as imposing 'box rules' that require truckers to use only certain trailers to haul their containers—thus forcing truckers to wait for the 'right' kind of trailer to become available. That leads to lower pay and longer wait times for our nation's truck drivers, who get paid per box, and allows the ocean carriers to generate even higher detention and demurrage fees." [The White House, [02/28/22](#)]

**In Response To The Statement, The Shipping Industry Lobbying Group World Shipping Council Defended The Industry For Being Competitive And Blamed Issues On Inadequate US Port Infrastructure And A Limited Labor Workforce "As The Root Causes Of Higher Shipping Costs."** "In a rebuttal to the White House statement on Feb. 28, shipping industry lobbying group World Shipping Council said that it was incorrect to say that the container shipping industry was uncompetitive as the number of shipping lines operating on the trans-Pacific trade increased in 2021. The WSC cited landside issues including inadequate US port infrastructure and a labor logistics workforce overwhelmed by record import volumes as the root causes of higher shipping costs. 'It is unfortunate that the President is demonizing ocean carriers, the industry that is the backbone of the US and global economy and that has been working around the clock through the pandemic to move more cargo than at any time in history,' the WSC said." [S&P Global, [03/02/22](#)]