OPPORTUNITY GREEN

Global shipping: mega profits, micro taxes

How the biggest shipping companies on the planet are making record profits but failing to pay their fair share of taxes.

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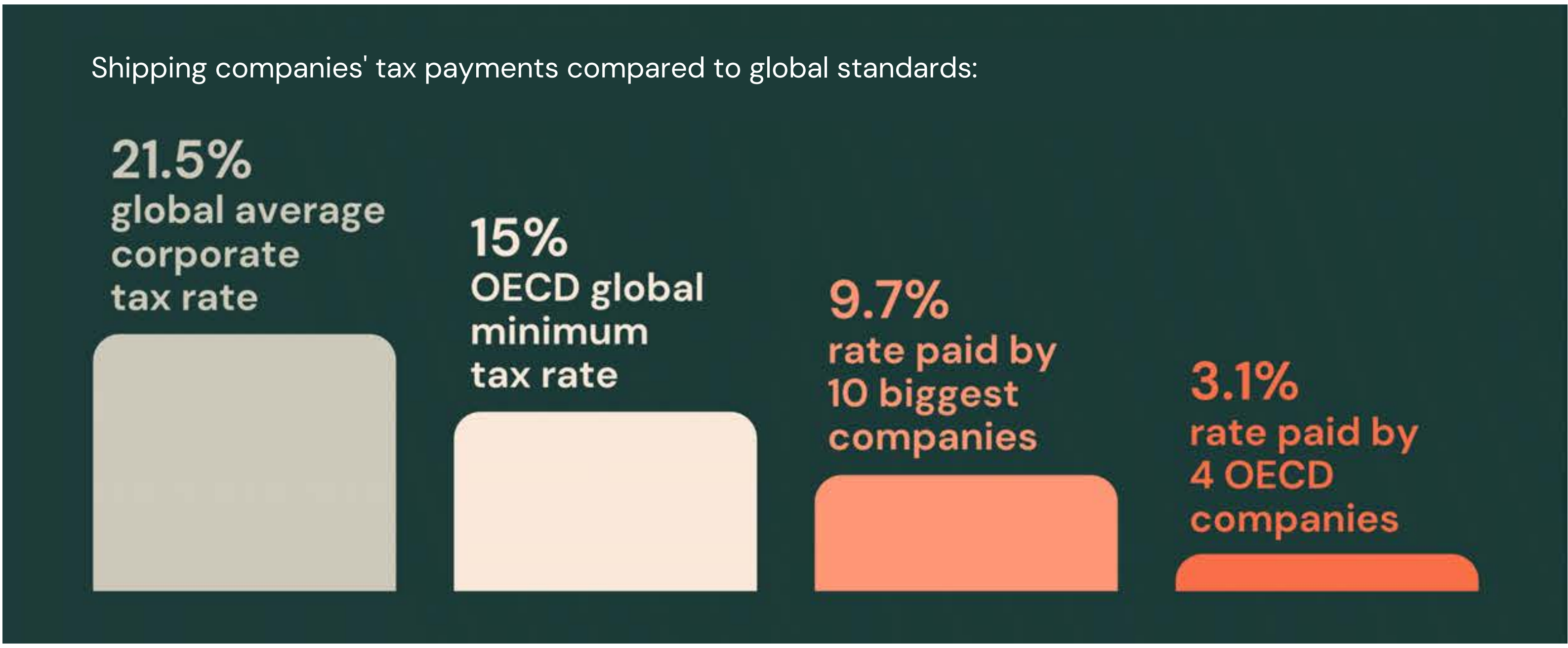
Executive Summary

Globally, shipping constitutes 3% of annual greenhouse gas emissions.[1] The International Maritime Organization, the UN agency that regulates shipping, is currently debating measures to curb shipping's climate impact. A levy on the use of fossil fuels within the industry is one of the measures being considered. This report shows the scale of the profits the industry has made between 2019-2023 and the small amount of tax paid on those profits, illustrating that a global levy on the industry could assist in contributing to a just and equitable transition as shipping's climate impacts are tackled.

[1] International Maritime Organization (2020). Fourth IMO Greenhouse Gas Study. Retrieved February 27, 2025 from https://www.imo.org/en/OurWork/Environment/Pages/Fourth-IMO-Greenhouse-Gas-Study-2020.aspx

The world's 139 largest companies, accounting for 90% of the world's fleet, made over $300bn in profits from 2019-2023, the last year for which full figures are available. Of this huge sum, 93% was taken by just the top 10 largest companies. Yet these same companies paid only $30bn in tax, an effective tax rate of 9.7%. This is far below the global corporation tax average rate of 21.5%, and below even the new Organisation for Economic Co-operation and Development (OECD) global minimum tax rate of 15% (from which shipping is exempt).



Disruptions to global trade since the pandemic have seen freight rates soar across the world – first as lockdowns ended, and over the last year, as Houthi attacks in the Red Sea and Panama Canal drought restrictions bar global trade routes. Initial lockdown losses, totalling $3bn globally in 2020, have been more than compensated in subsequent years: total profits were $93bn in 2021 and then $152bn in 2022. Overall, the shipping business has never been more profitable than over the last half-decade.

The sector is undertaxed in general, but the problem is biggest in the largest and most profitable companies, headquartered in wealthy OECD[2] member states. Of the top 10 global shipping companies, accounting for 93% of global shipping profits, four are headquartered in OECD members, and six are outside. The OECD member companies took $174.6bn in profits over the 2019-2023 period, but paid only $5.3bn in taxes. This equates to just 17% of all taxes paid by the global shipping industry, with an effective tax rate for those companies of only 3.1%. The non-OECD shipping companies took $139bn in profits, and paid $25bn in taxes – 76% of all taxes paid by shipping companies, and an effective rate of 18%, despite taking only 49% of global profits. For comparison, the average effective corporate tax rate inside the OECD is 20.2%.[3] OECD shipping companies pay less than half this rate.

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[2] Organisation of Economic Cooperation and Development. Established in 1962 by a group of Western European countries plus the USA, and historically colloquially referred to as the "rich countries' club", the 38-member OECD today maintains strict criteria for a country's entry.
[3]OECD (2024). Corporate Tax Statistics 2024. OECD Publishing, Paris. https://doi.org/10.1787/9c27d6e8-en

Company	Tax paid ($000s)	HQ location	Average effective company tax rate in HQ country	Tax due, if paid at average tax rate ($000s)	Tax lost ($000s)
China COSCO Shipping Corporation Ltd.	15,423,862	China	22.19%	14,005,598	- 1,418,264
A.P. Møller - Mærsk A/S	2,926,000	Denmark	20.27%	11,677,216	8,751,216
CMA CGM S.A.	1,222,200	France	26.92%	12,296,310	11,074,110
Ocean Network Express	712,168	Japan	28.36%	10,624,977	9,912,809
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Evergreen Marine Corporation (Taiwan) Ltd.	3,601,761	Taiwan	19.70%	5,299,656	1,697,896
Orient Overseas (International) Ltd.	362,299	Hong Kong	18.00%	3,578,951	3,216,652
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Wan Hai Lines Ltd.	2,194,151	Taiwan	19.70%	1,840,045	- 354,105
SITC International Holdings Company Ltd.	78,269	Hong Kong	18.00%	775,194	696,925

Costs of undertaxing major shipping companies, 2019-2023, *OECD headquartered firms highlighted*

Extraordinarily, a single Chinese company, Cosco Shipping Line, paid 46% of all shipping taxes paid by all global shipping companies over the entire four-year period.

The implied losses to countries' governments from this are very substantial. In effect, other taxpayers are subsidising the activities of the major shipping companies. The table above shows the difference between what the top ten companies paid in tax, over 2019-2023, and what they would have paid had they been paying the average rate of corporation tax for the country they are headquartered in. Whilst a few non-OECD shipping companies either paid slightly more or very close to average effective corporate tax rate, losses to governments from OECD companies were very significant. The implied loss from undertaxation of the four main OECD headquartered shipping companies is an astonishing $38bn.

Global shipping is highly concentrated in business operations, and ownership, with very few, closely-owned companies earning the bulk of profits worldwide. Ownership of the major OECD shipping companies is very close, with CMA CGM, Hapag-Lloyd and Maersk all majority owned by family-controlled groups.

Actual taxes paid and tax due if paid at average rate of home country:

The shipping industry is notably undertaxed, winning exceptional tax treatment (the tonnage tax regimes rather than a tax on a percentage of profit as is otherwise standard). This is due to the how concentrated shipping's business operations, ownership and profit accumulation are, meaning a small number of large companies have a strong interest in ensuring low taxation continues. Tonnage taxes allow shipping companies to pay tax on the basis of their shipping capacity at a fixed rate, regardless of the amount of profit they earn, therefore allowing them to pay little in years where profit has been high. It is, on that basis, very clear that the sector has more capacity to pay a fairer rate of tax.

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Of the ten named publicly listed shipping companies, Wan Hai Lines, A.P. Møller - Mærsk A/S and Orient Overseas responded to confirm the figures provided about their company are accurate. We did not receive replies from the remaining top 10 companies.

The report's authors would like to thank Olaf Merk at the OECD's International Transport Forum for his review and comments on a draft of this report. Any remaining omissions or errors are the fault of the authors' alone.

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Global shipping: mega profits, micro taxes

Background

Globally, shipping constitutes 3% of annual global GHG emissions.[4] The International Maritime Organization, the UN agency that regulates shipping, is currently debating measures to curb shipping's climate impact. A levy on the use of fossil fuels within the industry is one of the measures being considered. This report shows the scale of the profits the industry has made between 2019-2023 and the small amount of tax paid on those profits, illustrating that a global levy on the industry could assist in contributing to a just and equitable transition as shipping's climate impacts are tackled.

Method

The figures are taken from an analysis of the 139 global shipping companies, using publicly available data from their published accounts and checked with CapitalIQ financial reporting to assemble the complete database over 2019 to 2023, the last year for which a full set of accounts is available. This work updates the method and database originally presented by the OECD.[5] Where companies in the original set have been merged or are otherwise out of business, the new database has been updated accordingly. Otherwise, the two datasets are directly comparable.[6] This means that privately held companies are excluded, which means excluding one very significant shipping company, Geneva-based MSC, which we cover separately below. The exclusion does not, however, significantly alter our conclusions, given the evidence we have.

Soaring freight rates

Standardised indices are available for global freight rates, which can vary by route, region, and, obviously, type of goods being transported. Nonetheless, industry-wide disruptions have generated a very familiar pattern for freight rates: comparatively moderate levels were blown away by post-lockdown price surges, which faded away before a second (if smaller) surge took hold, over the end of 2023 to 2024. Even with recent declines in freight rates, those rates remain far above pre-pandemic levels, as Figure 1 shows.

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[4] International Maritime Organization (2020). Fourth IMO Greenhouse Gas Study. Retrieved February 27, 2025 from https://www.imo.org/en/OurWork/Environment/Pages/Fourth-IMO-Greenhouse-Gas-Study-2020.aspx

[5] Merk, O.M. (2020). Quantifying tax subsidies to shipping. Maritime Economics and Logistics 22, 517–535. https://doi.org/10.1057/s41278-020-00177-0

[6] This report does not look at the amounts paid by shipping companies as part of the EU Emissions Trading System as it only covers until 2023, before the ETS applied to shipping. From 1 January 2024, all ships calling at EU ports will have to purchase allowances for emissions for all intra-EU voyages and for 50% of all voyages that depart or arrive at an EU port. There is also a phase-in period up to 2026 before all emissions must be accounted for.

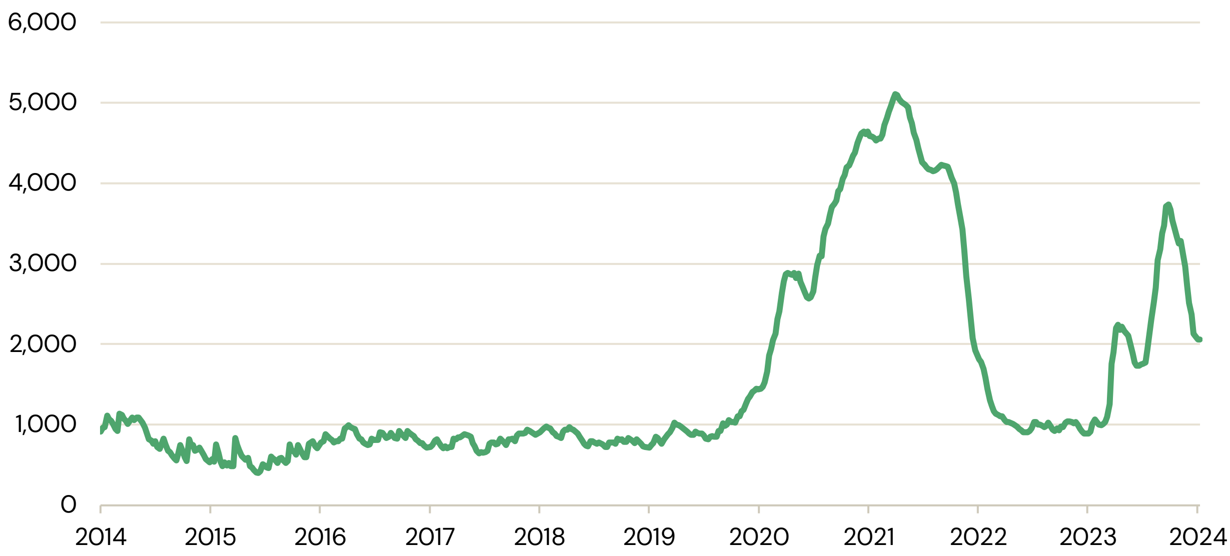

Figure 1: Shanghai Containerised Freight Index (SCFI), 2014-2024, *SCFI is a standardised index measuring price per unit of cargo capacity*[7]

The global shipping fleet

Table 1 shows the distribution of the world's fleet by deadweight tonnage – the weight of a vessel unladen with cargo or passengers. Bulk shippers which carry dry cargoes like iron ore, coal or grain, form close to a majority of the world's fleet by tonnage, followed by tanker vessels and container shipping. "Other" includes passenger ferries and cruise ships, and the increasingly relevant liquified natural gas (LNG) carriers, which are the fastest growing segment of the freight fleet.[8]

Ship type	2019	2020	2021	2022	2023	2024
Oil tankers	28.5%	29.0%	29.0%	28.6%	28.7%	28.3%
Bulk carriers	42.5%	42.4%	42.7%	42.9%	42.8%	42.7%
General cargo	3.8%	3.8%	3.7%	3.6%	3.6%	3.6%
Container ships	13.4%	13.3%	13.2%	13.3%	13.4%	14.0%
Other types of ships	11.7%	11.5%	11.4%	11.5%	11.5%	11.5%
Total fleet weight (1,000 deadweight tonnes)	1,989,924	2,073,311	2,138,844	2,206,295	2,277,379	2,353,899

Table 1: Distribution of global shipping fleet by ship type, 2019-2024[9]

[7] Figures from UNCTAD (2024). Review of Maritime Transport 2024. Paris: UN Conference on Trade and Development. Retrieved March 6, 2025 from https://unctad.org/publication/review-maritime-transport-2024
[8] Maxwell, V., Das, N. (2023). High and Dry: the global energy transition's looming impact on the LNG and oil shipbuilding industry, Climate Analytics. Retrieved March 6, 2025 from https://climateanalytics.org/publications/high-and-dry-the-global-energy-transitions-looming-impact-on-the-lng-and-oil-shipbuilding-industry
[9] UNCTAD (2024). Review of Maritime Transport 2024. Paris: UN Conference on Trade and Development. Retrieved March 6, 2025 from https://unctad.org/publication/review-maritime-transport-2024

These figures on fleet sizes, however, do not explain relative profitability. The move to container transport has dramatically reduced the costs of shipping over decades, in turn promoting a dramatic expansion of the global goods trade.[10] The barriers to entry for containerised shipping are, however, exceptionally high, requiring both very large ships to maximise profits and a very substantial investment in heavy duty equipment in specialised port facilities. These barriers to entry are a powerful motivation for the concentration of ownership in the containerised sector, as we will see below. Bulk shipping, by contrast, has a profusion of much smaller operators, often running older ships at lower profit margins.[11] Tanker operations are distinct – a few specialist operators maintain long-term chartering contracts with oil companies, whilst a significant number of vessels are directly owned by oil companies themselves.[12]

Taxes as a proportion of profits

The period since 2019 has been one of exceptional volatility for the global shipping industry, as first covid and lockdowns followed by post-covid supply chain issues and undercapacity provoked a collapse in profits followed by an extraordinary surge.[13]

Profits are calculated using 'profits before tax' figures from company accounts, which the tax rates are also sourced from. The effective tax rate (ETF) is calculated as the taxes declared paid by the company taken as share of the declared profits. This is a standard method for determining the true rate of tax paid by a company[14] and is likely to differ from headline tax rates, which companies can typically find means to reduce.[15]

In total, over these four years, the industry earned $338bn in profits before tax, and paid $33.7bn in tax, for a global effective tax rate across the whole industry of just 10%. The graph below shows the losses in 2020, at the worst of covid, followed by an exceptional recovery. It can be readily seen that tax rates do not move anything like proportionately with profits, reflecting the unusual status of the industry. Leading to the conclusion that a global regulator like the International Maritime Organization could step in to ensure that the sector is taxed to ensure a level playing field and the equitable distribution of those taxes across this global sector.

The graph below shows the effective tax rate, which is simply the rate of taxes actually paid by companies (as declared in their own accounts) to the government where their parent company is headquartered, divided by the amount of pre-tax profit declared in their accounts. The evolution of this effective tax rate for the industry is, again, striking. It moves *against* total profitability, i.e. that as they get more profitable, the tax rate decreases – the very opposite of

[10] Levinson, M. (2016). The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger (2nd ed.). Princeton, NJ: Princeton University Press.
[11] Splash247.com (2024). Shipping's largest, most fragmented sector faces up to consolidation realities. Retrieved March 6, 2025 from https://splash247.com/shippings-largest-most-fragmented-sector-faces-up-to-consolidation-realities/
[12] Congressional Research Service (2024). The Global Tanker Market: an overview as it relates to sanctions. Retrieved March 6, 2025 from https://crsreports.congress.gov/product/details?prodcode=R47962
[13] Although not covered here, since we do not have full-year company accounts as yet, 2024 also looks to have been an exceptional year, as early reporting and the shipping freight rates shown in figure 1 above suggest.
[14] Bachas, P. J., Brockmeyer, A., Dom, R., Semelet, C. M. (2023). Effective Tax Rates and Firm Size. World Bank Group. Retrieved February 27, 2025 from http://documents.worldbank.org/curated/en/099539402212317506
[15] How or what can be used to reduce tax rates depend on individual country legislation, with exceptional tax regimes like tonnage taxes and deductions in tax bills due to large capital purchases often available.

a conventional taxation system, where typically effective tax rates remain either flat, or even slightly increase with profits and incomes.

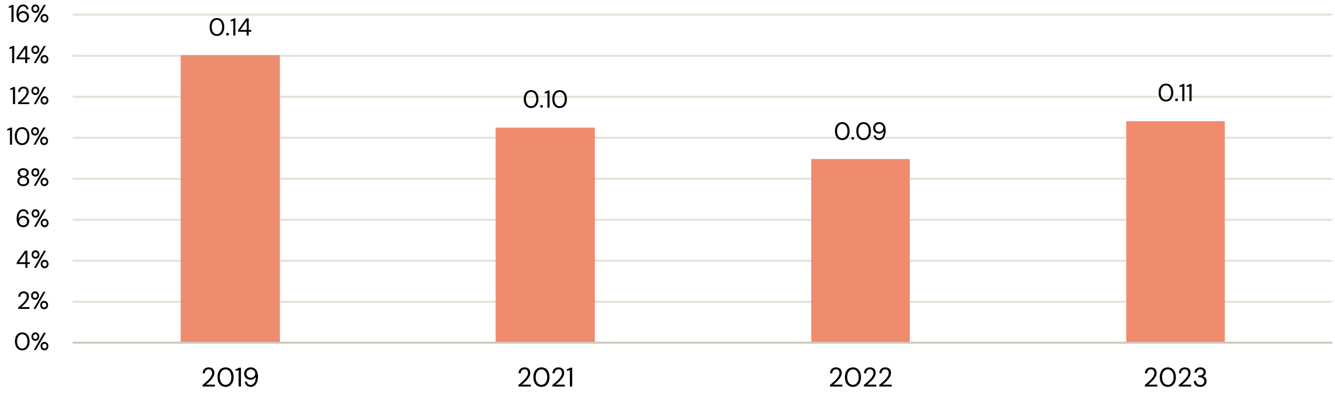

Figure 2: Effective tax rates for global shipping companies, 2019-2023[16]

A global effective tax rate of 10% is substantially lower than the global average statutory corporation tax rate of 21.5%,[17] or, even, the OECD's global minimum corporate tax rate of 15%.[18] The global shipping industry, it should be noted, won a derogation from this minimum standard on the basis of its exceptional industrial structure and the pressures of tax competition.[19]

Shipping companies pay lower rates of tax than is usual for corporations as a result of their exceptional tax regime, including the widespread use of "tonnage taxes" that levy a certain amount on a vessel based on its deadweight tonnage, rather than the sales revenue it produces. In addition, the use of sophisticated tax accounting by some firms allows further reductions in the effective rate of tax. The industry has argued that such exceptional treatment is warranted, given the necessarily global nature of the industry: increasing taxes will simply (and literally) drive ships away from countries attempting to apply them.[20] However, this is not born out in the data which shows certain non-OECD countries impose much higher tax rates and still have of the largest companies headquartered in their jurisdictions. Further, this argument simply leads to the conclusion that shipping's international regulatory body, the International Maritime Organization could step in to ensure a level playing field when it comes to ensuring that any taxes paid by this global industry could be distributed equitably across the globe.

We will show below that the situation is far worse than the headline figures suggest, and that arguments about tax competition do not apply.

[16] No figures given for 2020 as covid-19 restrictions generated unusual losses for global shipping.
[17] OECD (2024). Corporate Tax Statistics 2024. OECD Publishing, Paris. https://doi.org/10.1787/9c27d6e8-en
[18] OECD (2021). Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy. Paris: Organisation for Economic Cooperation and Development. Retrieved March 6, 2025 from https://www.oecd.org/en/about/news/announcements/2021/10/statement-on-a-two-pillar-solution-to-address-the-tax-challenges-arising-from-the-digitalisation-of-the-economy-october-2021.html
[19] Adam Gray. Tax bullet dodged for global shipping industry. Al Tamimi and Co.. Retrieved March 6, 2025, from https://www.tamimi.com/law-update-articles/tax-bullet-dodged-for-the-shipping-industry/
[20] Holmstead, D., Thomsen, J. (2023). Maersk confirms skepticism towards global tax: "We were worried". ShippingWatch. Retrieved March 6, 2025 from https://shippingwatch.com/carriers/Container/article14999381.ece

Taxes by shipping sector segment

Different elements of the global shipping industry pay substantially different tax rates, although notably all are less than major corporations would typically face in their home jurisdictions. Comparing the period of the previous OECD study (2005-19) with the more recent period considered here reveals significant variation in the incidence of taxation. Container shipping (the most profitable shipping segment) taxation rates, in particular, have fallen by almost half, even as other sectors registered some increases. For the period 2005-19, as covered by the earlier OECD study, shipping companies paid a total of $1.9bn tax per year, on profits that came to around $27bn per year. This gives an effective tax rate (ETR) of 7% for the global shipping industry over 2005-19.

Shipping segments	2005-2019	2019-2023
Cruise shipping	0%	0%
Tanker	3%	17.8%
Dry bulk	6%	16.2%
Container shipping	19%	9.3%
Other	3%	0%
Global average	7%	10%

Table 2: Percentage tax rates paid by different segments of the shipping industry, 2005-2019 and 2019-2023

Breaking these figures down further reveals a very clear divide between the developed and less developed countries. Taking OECD membership as a proxy for level of development and dividing the dataset into companies headquartered in OECD members and those outside exposes a sharp difference in tax rates paid since 2019.

Shipping segments	OECD	Non-OECD	Difference
Cruise shipping	0%	1.3%	1.3%
Tanker	3.9%	20.6%	16.7%
Dry bulk	4.5%	19.6%	15.1%
Container shipping	3.4%	17.4%	14.0%
Other	2.7%	10.1%	7.4%
Average	4.3%	16.1%	11.8%

Table 3: Average effective tax rates by OECD vs non-OECD shipping companies, by shipping company sector, 2019-2023

The gap in ETRs between companies headquartered in the developed world and those in the developing is stark, with the difference for dry bulk carriers the most dramatic. This difference is clear when comparing the share of profits taken by different companies, versus the share of taxes paid. OECD headquartered tanker companies take 17% of global profits in the sub-sector, but pay just 3.8% of global taxes for the sector. Dry bulk shipping companies in the OECD take 22% of global profits, but pay just 6.1% of global taxes in the sub-sector.

Profits are concentrated towards the major European companies, and European container companies in particular, but this is not reflected in the balance of taxation. The top three European companies in our dataset (Maersk, Hapag-Lloyd, CMA CGM) took 45% of all global shipping company profits over the four years. However, they paid just 14% of all taxes from global shipping. The balance of taxation for global shipping falls on countries outside of Europe and the OECD, with non-OECD members paying 77% of all taxes from global shipping over this period.

Concentration of profits in the North, dispersal of taxes in the South

We have provided an overview of the income balance of taxation. But this does not tackle the second, structural characteristic of global shipping: its extraordinary concentration. Table 4 shows the top 10 largest shipping companies in the world, ranked by total profits over 2019-23. We show their profits over this period, the taxes paid, the effective tax rate and, critically, location of headquarters and the top ten share in global profits and taxes.

Largest 10 companies	HQ	Total profits ($000s)	Total taxes paid ($000s)	Effective tax rate	Share of global taxes
China COSCO Shipping Corporation Ltd.	China	63,111,023	15,423,862	24.44%	45.75%
A.P. Møller - Mærsk A/S	Denmark	57,597,000	2,926,000	5.08%	8.68%
CMA CGM S.A.	France	45,671,800	1,222,200	2.68%	3.63%
Ocean Network Express	Japan	37,462,017	712,168	1.90%	2.11%
Hapag Lloyd AG	Germany	33,852,684	475,224	1.40%	1.41%
Evergreen Marine Corporation (Taiwan) Ltd.	Taiwan	26,901,809	3,601,761	13.39%	10.68%
Orient Overseas (International) Ltd	Hong Kong	19,883,060	362,299	1.82%	1.07%
Yang Ming Marine Transport Corporation	Taiwan	15,886,926	3,431,051	21.60%	10.18%
Wan Hai Lines Ltd.	Taiwan	9,340,332	2,194,151	23.49%	6.51%
SITC International Holding Company Ltd.	Hong Kong	4,306,632	78,269	1.82%	0.23%
Total		**314,013,283**	**30,426,984**	**9.7%**	**91%**
Global total or average		**337,575,861**	**33,712,541**	**10%**	
Share of global total		**93%**	**90%**		

Table 4: Largest 10 global shipping companies, profits and taxes paid, 2019-2023, *OECD headquartered firms highlighted*

The concentration of the global industry is clear. If there is a problem with the taxation of global shipping companies, it is primarily a problem of the very few, very largest companies in operation. 95% of all profits made by global shipping over 2019-2023 were made by just 10 companies. Of these ten, four are headquartered in the OECD (shaded in orange) and six outside.

Table 5 shows the share of global profits made by OECD top 10 companies, and the same for non-OECD top 10 companies, along with their share of taxes and average effective tax rate.

	Profits ($000s)	% global	Taxes ($000s)	% global	Effective tax rate
OECD	174,583,500	51%	5,335,592	16%	3.1%
Non-OECD	139,429,782	41%	25,091,392	74%	18%

Table 5: OECD vs non-OECD top shipping company profits and taxes

The four largest OECD headquartered shipping companies made 51% of *all* global profits, but paid only 16% of total taxes. The six largest non-OECD shipping companies took a smaller share of profits, 41%, but paid a much larger share of global taxes, 74%. This is reflected in the effective tax rates faced by each: 18% for non-OECD shipping companies, but a paltry 3.1% effective tax rate for the OECD headquartered companies.

But the situation is even more extreme than these dramatic figures. The final column in Table 4 above shows the share of global taxes paid by each shipping company in the top 10. One company stands out: Chinese headquartered Cosco Shipping, which paid an astonishing 45.8% of *all* taxes paid by global shipping companies between 2019 and 2023. This likely reflects the unusual status of the Chinese shipping industry, which has received significant government support over the last few decades.[21] COSCO itself is a state-owned enterprise.

In summary, the problem of under-taxation in shipping is the result of a relatively few, OECD-headquartered companies that dominate the industry and systematically underpay tax. The problem is sufficiently severe that a *single* company can end up paying almost half the taxes paid by the entire global industry over a four-year period. All of this belies the usual excuses for under-taxation offered by the industry itself, which is that as a global industry, it faces permanent competition from global competitors with lower operating costs and lower taxes. For the largest and most profitable sector, the exact opposite is true: under-taxation is driven by OECD headquartered companies, the majority of which are located in Europe, who systematically pay far lower taxes than competitor companies headquartered outside of the OECD.

Losses to governments and countries from undertaxation are very significant

The implied losses to countries' governments from this are very substantial. In effect, other taxpayers are subsidising the activities of the major shipping companies. Table 6 shows the

[21] Blanchette, J., Hillman, J.E., Qiu, M., McCalpin, M. (2020). Hidden Harbors: China's state-backed shipping industry. CSIS Briefs, Centre for Strategic and International Studies, Washington, D.C. Retrieved March 6, 2025 from https://www.csis.org/analysis/hidden-harbors-chinas-state-backed-shipping-industry

difference between what the top ten companies paid in tax, over 2019-2023, and what they would have paid had they been paying the average rate of corporation tax for the country they are headquartered in.

Company	Tax paid ($000s)	HQ location	Average effective company tax rate in HQ country	Tax due, if paid at average tax rate ($000s)	Tax lost ($000s)
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SITC International Holdings Company Ltd.	78,269	Hong Kong	18.00%	775,194	696,925

Table 6: Costs of undertaxing major shipping companies, 2019-2023, *OECD headquartered firms highlighted*[22]

Whilst some non-OECD shippers very close to or even somewhat above the average effective tax rate for corporations in their headquarter countries, the four OECD headquartered major shippers pay very substantially less than the average rate. For the whole period, 2019-2023, the total loss to those countries' governments from shipping undertaxation came to $38bn. This is the amount of additional tax that the companies would have paid if they had been taxed at the average rate for corporations. Instead, combinations of tonnage taxes and use of complex company structures have radically reduced the taxes paid by some exceptionally large and profitable corporations.[23]

[22] Sources: authors' calculations from company accounts; for tax rates: OECD Corporate Incomes Tax Rates Database (2024), retrieved March 6, 2025 from https://www.oecd.org/en/data/datasets/corporate-income-tax-rates-database.html; Garcia-Bernardo, J., Janský, P., Tørsløv, T. (2023), Effective tax rates of multinational corporations: Country-level estimates, PLoS One 18:11, https://doi.org/10.1371/journal.pone.0293552.
[23] This is the conclusion of Olaf Merk, in Merk, O.M. (2020). Quantifying tax subsidies to shipping, Maritime Economics and Logistics 22. https://doi.org/10.1057/s41278-020-00177-0

Concentration of ownership

This concentration of profits is reinforced by a concentration of ownership of major lines:

- CMA CGM is 73% owned by the Saade family, 24% by the Turkish family-owned Yildrim Holding, and 3% by a French government investment vehicle. These owners split $3bn in dividends between them in the peak year of 2022.[24]
- Hapag-Lloyd is 30% owned by Klaus-Michael Kuehne,[25] the richest person in Germany,[26] with the Qatari and Saudi sovereign wealth funds holding double-digit shares. A Chilean company, CSAV, owns another 30%, and CSAV is itself owned 66.5% by the Luksic family, Chile's richest.[27] The group paid approximately $11bn in dividends in 2022.[28]
- Maersk is majority owned and controlled by the Moller-Maersk family, through a holding company. It also paid out around $11bn in dividends in 2022.[28]

These closely-held companies account for 45% of the total profits made over the whole period. There is a glaring omission here: Mediterranean Shipping Company (MSC), a privately-owned, Geneva-based container shipping company.

MSC: a special case

MSC is currently the world's largest container shipping line by number of ships owned, and on current orders is expected to maintain that position with around 20% of the world's entire shipping fleet. However, as it is a privately-held company, registered in Switzerland, it is subject to very few reporting requirements at the apex of its company structure. The company is 50% owned each by Gianluigi and Rafaela Aponte, both of whom saw their estimated fortunes soar in the last few years, each rising from $6.5bn in 2020 to $31.2bn in 2023,[29] which gives some idea of the likely scale of MSC's post-tax profits in recent years.

MSC's earnings were reported in the Italian outlet *Il Messagero* in 2023, from filings made by the company during its successful takeover of the Italian rail operator, Italo.[30] These suggest that MSC's profits closely tracked the wider industry during the post-pandemic boom. Profits after tax in 2022 were reportedly $36bn.

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	2020	2021	2022
MSC EBITDA ($m)	6,800	40,000	43,200

Table 7: MSC EBITDA (earnings before interest, taxes, depreciation and amortisation), 2020-2022 ($m), *EBITDA is a measure of underlying profitability, stripping out financial costs and taxes, that is different to the profits before tax measure used in the rest of the report*

Looking ahead

Given the current rebound in freight rates, it is highly likely that OECD-based shipping companies are, once again, paying astonishingly low rates of tax on their profits relative to peers in other industries as of the end 2024. If future disruptions to shipping are anticipated to be significant, from the impacts of climate change to geopolitical tensions, then this volatility and elevated price regime will feed into super-profits for freight shippers and so reduce their effective tax rates. Initial reports by some shipping companies for 2024, including CGA CGM and Cosco suggest continued very high earnings over that year. Uncertainties about the future surround both Red Sea reopening with a Gaza truce, and President Trump's imposition of tariffs. But whilst profits are generally forecast to fall back as freight rates decline, those same forecasts imply they will remain high relative to the recent past.[31]

It is particularly remarkable, in these circumstances, that shipping is exempted from the OECD's global minimum corporate tax. Furthermore, in the absence a minimum tax rate, tax competition can continue unchecked within the shipping industry, with countries slashing tax rates in order to attract investment. This "race to the bottom" has been directly linked to increases in countries' GHG emissions, owing to the resulting redistribution, and increase in scale, of economic activity.[32] In this way, the extraordinarily low rates of taxation which shipping companies are currently able to exploit may provide an additional barrier to decarbonisation of the industry.

Whilst the countries in which shipping companies are headquartered could impose a higher rate of tax, that revenue raised would then be concentrated in those same, smaller number of countries. Whilst of benefit to the countries imposing the new, higher rates of tax on these multinationals, this would not shift the balance of revenue flows (whether profits or taxes) inside the global shipping industry, and would not directly address the global costs imposed by the industry's activities.

However, a levy imposed on all shipping's GHG emissions, such as one under discussion in the International Maritime Organization, could result in revenue that could be distributed much more equitably across the globe, reflecting the global nature of the shipping industry and facilitating a just and equitable climate solution.

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