



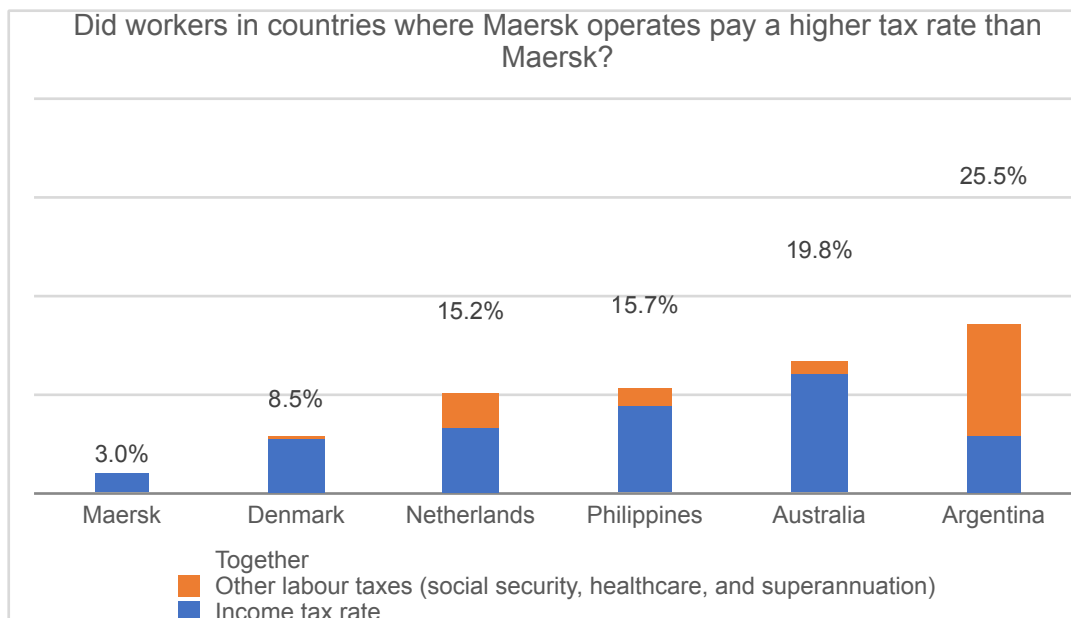
## Do workers pay more tax than Maersk?

For major firms in the transport and logistics industry, post-covid supply chain pressure led to a surge in profits. Maersk, the largest shipping company in the world, saw profits increase by more than **26 times in a two-year period**, earning **US\$49 billion in profit 2021 and 2022**.

At the same time, because the Danish Government levies a tonnage tax rather than a company tax, Maersk's tax rate fell to just **3% in 2022**. If the Danish Government had levied the company tax rate these years, it would have gained another **\$9.7 billion in tax**.

Maersk's 3% tax rate in 2022 is substantially **lower than the tax rates (including social security, healthcare and superannuation contributions) faced by workers in the countries Maersk operates:**

- In **Denmark**, where Maersk is headquartered, a median income worker paid EU2,714 in tax on income of EU32,018, an 8.5% tax rate. This tax rate is 282% higher than the rate Maersk paid in 2022, or almost **three times higher**.
- In the **Netherlands**, a median income worker paid EU4,490 in tax on a median income of EU29,537, a 15.2% tax rate. This tax rate is 505% higher than Maersk did in 2022, or **five times higher**.
- In the **Philippines**, a median income worker paid PHP 90,800 in tax on income of PHP 578,400, a 15.7% tax rate. This tax rate is 505% higher than Maersk did in 2022, or **five times higher**.
- In the **Australia**, a median income worker paid AU \$12,891 in tax on income of AU \$65,000, a 19.8% tax rate. This tax rate is 592% higher than Maersk did in 2022, or **six times higher**.
- In **Argentina**, a median income worker paid ARS 127,037 in tax on income of ARS 498,000, a 25.5% tax rate. This tax rate is 847% higher than Maersk did in 2022, or **eight and a half times higher**.



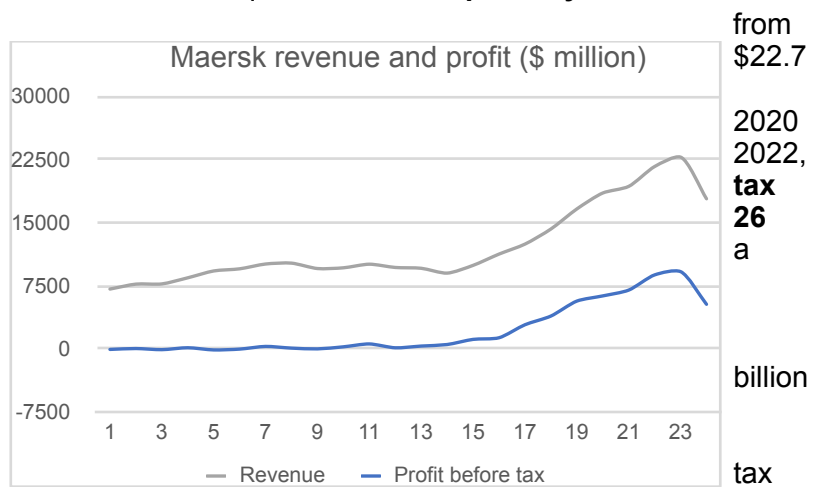


## Maerk's pandemic profit surge

AP-Moller Maersk ('Maersk') is the largest shipping company in the world and is headquartered in Denmark. Since 2001, instead of levying standard corporate tax on shipping companies, Denmark has levied a tonnage tax that is determined by a fixed amount per net tonne. The approach is recommended by the European Union and is often favoured by Governments, because it delivers tax revenue regardless of whether shipping companies make a profit or a loss.

Post-covid supply chain pressure has been very good for Maersk. The combined impact of varying covid-related social restrictions across borders and labour shortages have led to significant supply chain disruptions, that Maersk was able to capitalise on:

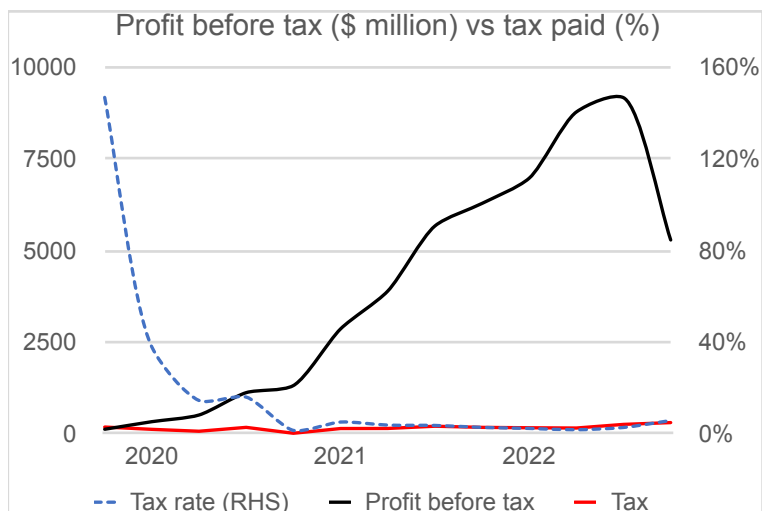
- From the third quarter of 2020 until the third quarter of 2022, **quarterly revenue increased by 130%**, \$9.9 billion a quarter to billion a quarter.
- From the first quarter of until the third quarter of **quarterly profit before tax increased by more than 26 times**, from \$337 million quarter to \$9.2 billion a quarter.
- In 2021 and 2022, Maersk earned \$49 billion in profit before tax.



The tonnage tax model means collection has remained largely consistent over this period, rising slightly from around \$100 million per quarter in 2020 to around \$200-250 million in 2022. While this increase seems significant, it pales alongside a 26-fold increase in profit.

As a result, Maersk's tax rate declined drastically, from almost 147% of net profit before tax in Q4 2019, to less than 2% of net profit before tax in Q2 2022.

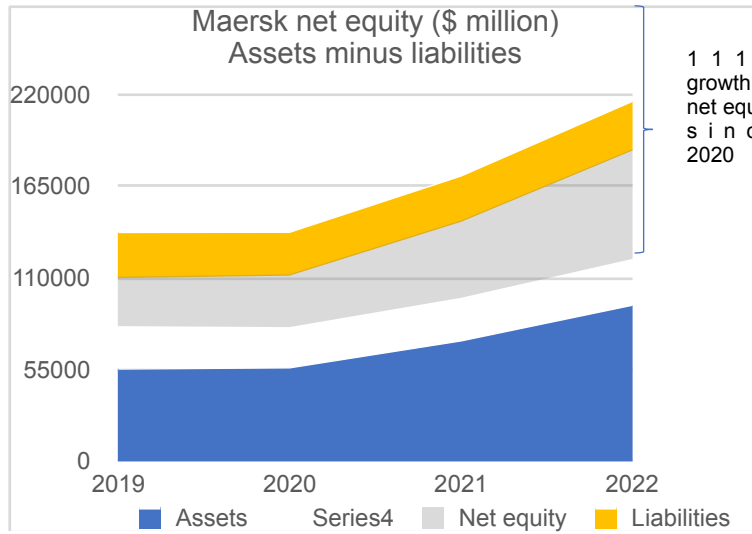
Over the years 2020 to 2022, using the tonnage tax model rather than Denmark's standard 22% company tax rate, Denmark has lost an **estimated \$9.4 billion in tax revenue**. In 2021 and 2022, Maersk distributed **\$7.8 billion in dividends to shareholders**.



Maersk's profit surge sent them off on a shopping spree that will help secure a dominant position in the market. That included that acquisition of a slew of ecommerce logistics suppliers (Visible Supply Chain Management, B2C Europe and HUUB) in 2021, as well as the \$3.6 billion purchase of Hong Kong-based LF Logistics last year.



These acquisitions have increase the total value of Maersk's assets to \$93.6 billion, while liabilities have hardly moved. This represents a **111% increase (\$34.2 billion) in equity in just two years, \$65 billion.**



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