

Maritime Summary Note n°243 – September 2022

« Europe's Maritime Giants : market leaders and industry players »

The trade wars of the Trump presidency, Brexit at the close of the last decade, and above all now the health crisis and the Russian aggression against Ukraine have demonstrated that the global economy does not advance along a smooth, calm river. Maritime transport stands as one of the primary tools of this contemporary economy born twenty years ago, which involves every nation across the globe. For 3,000 years in the Mediterranean, 1,500 years in Northern Europe, and 1,000 years across the entire earth, European vessels have carried out maritime trade. If we examine the most recent post-war era, the corporate houses driving this European maritimity have naturally changed and evolved; yet, it is undeniably within Oslo, Copenhagen, Hamburg, Marseille, Naples, and Piraeus that one of the continent's foremost economic engines is embodied today. These shipping lines constitute one of Europe's greatest assets within the architecture of globalization, but they are concurrently accountable for tackling the environmental challenges demanded by our era.

The four of a kind of global containerization

The global health crisis proved to be an exceptionally favorable period for containerization. Throughout 2020 and 2021, consumers faced severe restrictions regarding their leisure and recreational activities. Financial liquidity, particularly on the American side, translated into a sharp surge in the consumption of manufactured goods. Container shipping experienced an intense volume spike along Transpacific routes toward the United States, accompanied by soaring freight rates. Without experiencing such a frenzy, Europe also expanded its imports, with freight rates reaching historical summits.

The structural landscape in 2022 has obviously shifted. The lockdown of the Shanghai metropolitan region stands merely as a localized episode of the health crisis, triggering a massive but temporary operational bottleneck in China and, by resonance, across the rest of the world. The war in Ukraine is far more severe, as its immediate impacts on energy pricing are accelerating inflation and precipitating a contraction of economic growth in Europe. Consequently, container volumes there are in decline. The fading of the health crisis is therefore proving less celebratory than anticipated.

These expanding cargo volumes and elevated freight rates enabled ocean carriers to clear monumental financial profits throughout 2020 and most notably in 2021. The European container shipping conglomerates emerged as the supreme winners of this era, a structural outperformance reflected in their record-breaking revenues, as well as in a highly diversified wave of corporate investments extending far beyond traditional vessel acquisitions.

Foreseen given its strategic newbuilding orders and second-hand vessel acquisitions¹, the ascension of the Italian-Swiss ocean carrier as the world's number one took place in early 2022. By the summer, MSC boasted an active operational fleet of 4.468 million TEUs, compared to 4.272 million TEUs for Maersk. This leadership will not be lost in the short term, as the Geneva-based conglomerate's order book is five times larger (114 vessels) than that of its Danish competitor and alliance partner. The group, founded by Gianluigi and now led by his son Diego, is firmly on track to be the undisputed leader of containerization for this decade.

MSC's specialized port handling subsidiary is Terminal Investment Limited (TIL), which ranked as the world's sixth-largest terminal operator in 2021. The flagship corporate transaction of this era is the acquisition of Bolloré Africa Logistics (€5.7 billion), a takeover that secures premium port concessions as well as land logistics services across West Africa. Beyond routine corporate acquisitions, terminals

¹ MSC, which rarely buys out entire corporations, acquired Log-In Logística in 2021 to manage coastal shipping operations in Brazil. The local market enforces a domestic cabotage mandate. Maersk owns Aliança (inherited from Hamburg Süd, purchased in 2017) and sold Mercosul Line over to CMA CGM.

must also undergo heavy modernization. By way of illustration, within the French landscape, TIL will inject €700 million into Le Havre² and \$1 billion into the Brazilian gateways of Santos and Navegantes. Beyond the container segment, the Aponte family commands a highly diversified maritime portfolio, spearheaded since 1995 by the cruise sector. While this was one of the global economic sectors most severely crippled by the health crisis, MSC was opportunistically capable of leveraging its container windfall profits to sustain its alternative business segments. Although the cruise division lost capital, these losses were relatively mitigated by rapidly returning the fleet to active service. In 2022, the group added two newbuild cruise liners to its four-vessel order series for its brand-new luxury cruise line, Explora Journeys.

MSC has concurrently diversified into the ferry and Ro-Ro sectors through SNAV (1995), GNV (*Grandi Navi Veloci*, 2011), and the co-control of Messina (2019, targeting North–South trades). Initially centered around Italy, the ferry shipping arm has operated from Sète toward Morocco since 2012, expanded to Spain's Balearic Islands in 2021, and is strengthening its Moroccan corridors in 2022. Already commanding a fleet of 25 vessels, GNV will take delivery of four "Made in China" ferries starting in 2024. Finally, in March, the Aponte family acquired a 25% equity stake in another Italian ferry operator, Moby, which had been facing severe financial distress since its takeover of the former state-owned line Tirrenia. The maritime press does not hide Aponte's motivations: a strategic determination to limit the market expansion of its main peninsular rival, the Grimaldi Group.

Maersk consequently relinquished its number one global rank, which it had held for 30 years. Since 2018, the Danish giant has intentionally kept its fleet capacity stagnant. It remains nonetheless a powerhouse with its core liner fleet and its port terminal subsidiary, APM Terminals (the world's number 4 operator). Its broader maritime scope³ is, it should be recalled, also diversified across the energy sectors via Maersk Tankers, offshore engineering through Maersk Drilling and Maersk Supply Service, and harbor towage via Svitser. In late 2020, the group's forwarder arm, Damco, was fully integrated into Maersk's container division, while its air freight cargo business was re-activated. Over the past two years, corporate takeovers targeted the logistics sector, led by the acquisitions of LF Logistics (Hong Kong, \$3.6 billion) and Pilot Freight Services (USA, \$1.8 billion). The core corporate strategy focuses on vertical integration into downstream business segments, namely e-commerce and contract logistics. It goes without saying that the French national champion of global containerization⁴, CMA CGM, has also expanded significantly. The strong growth of its operated fleet enabled it to reclaim the number 3 world rank from COSCO in 2021, and its extensive newbuilding orders are set to secure this position. Succeeding his father Jacques in 2018, Rodolphe Saadé⁵ maintains a massive ambition for his conglomerate, especially since net profits hit a historic record in 2021, reaching €16.8 billion (compared to €15.8 billion for Maersk and €12.8 billion for Hapag-Lloyd). This strategy relies first on terminal infrastructure assets through CMA Terminals and Terminal Link (co-owned with China Merchants Port Holdings). Its latest terminal commitments concern the 50% equity takeover of the TTIA terminal in Algeciras and a future container facility in Alexandria.

The corporate acquisition of CEVA Logistics in 2019 delivered an entirely new core business segment to the French group. Throughout 2020 and 2021, corporate takeovers proliferated. In 2021, this manifested as the strategic acquisition of Ingram Micro's Commerce & Lifecycle Services (CLS) division for €2.65 billion. This was followed in 2022 by the takeover of the French logistics specialist GEFCO (€0.5 billion), divested by its former majority shareholder, the Russian Railways (RZD). Within the aviation sectors, following the operational launch of CMA CGM Air Cargo, the group forged a strategic alliance with Air France-KLM, investing €400 million to secure a 9% equity stake, thereby ascending as the third-largest shareholder behind the French and Dutch sovereign States. Ultimately, CMA CGM's air freighter capacity will be fully integrated into the Air France-KLM operational network, strengthening the airline group within the highly dynamic air freight market.

² TIL took over Perrigault's assets in Le Havre, namely half of its dedicated terminal (TNMSC) and the Norman company's proprietary terminal (TPO).

³ Mærsk Mc-Kinney Møller elevated the small family-owned Danish shipping company to its zenith. The family controls, via the A.P. Møller Foundation, the maritime activities as well as one of Denmark's major banks and several corporations. The new generation is embodied by Robert Mærsk Uggla.

⁴ French shipping still relies on a few family-owned corporate houses, notably Louis Dreyfus Armateurs, whose divestment from dry bulk has left it operating exclusively in service sectors, now encompassing marine renewable energies.

⁵ The Saadé family, via the Merit holding company, has shared the capital of CMA CGM since 2010 with the Turkish businessman Robert Yıldırım (24%) and Bpifrance Investissement (6%) since 2012.

CMA CGM is effectively emerging as a major instrument of French economic soft power, propelled by its structural muscle across the global transport and supply chain landscapes. Within the German framework, the national maritime champion is Hapag-Lloyd. The long-standing Hamburg-based corporate house—expanded in 2016 through its mega-merger with the Gulf-based line UASC—ranks as the 4th European carrier and the 5th global container shipping line. Its capital structure remains relatively heterogeneous, dominated by Kühne Maritime which commands a 30% controlling stake⁶. The maritime press regularly questions the long-term macro-strategy pursued by Klaus-Michael Kühne, who primarily controls Kuehne+Nagel, one of the undisputed world leaders in freight forwarding and contract logistics. The aggressive vertical integration of ocean carrier competitors into his historical core business could eventually incentivize Kühne to orchestrate a structural merger between Hapag-Lloyd and Kuehne+Nagel. To complete this panoramic overview, Kühne Aviation further expanded its multi-modal empire in 2022 by securing a 15.01% stake, becoming the primary shareholder of Lufthansa⁷. Backed by its 175-year heritage, Hapag-Lloyd has weathered challenging periods, as keeping pace with the rapid operational cadence of the leading European trio and COSCO remains exceptionally difficult; yet, the Hamburg-based line is now capturing market headlines. Its sole legacy port infrastructure asset was located in Hamburg (holding a 25.1% stake in HHLA's automated CTA terminal); however, a second German stronghold now encompasses a 30% equity stake in Eurogate's deepwater JadeWeserPort at Wilhelmshaven. At Tanger Med, Hapag-Lloyd commands a 10% shareholding within the Marsa Maroc/Eurogate terminal and has firmly committed to a greenfield container facility in Damietta (Egypt) for 2024. Furthermore, the African continent is taking center stage within the carrier's maritime network through the strategic acquisitions of two specialized North–South operators: the Netherlands-based NileDutch in 2021 and Germany's Deutsche Afrika-Linien (DAL) in 2022. The commercial brand name of the Dutch carrier has already been completely phased out, and a similar corporate consolidation likely awaits DAL; in any case, Hapag-Lloyd successfully joins the alternative three European giants in mastering the strategic African trade lanes.

The specialized roll-on/roll-off operators

While containerization capitalized on a highly favorable global context, the same cannot be said for the European roll-on/roll-off (Ro-Ro) and ferry sectors. For operators entangled in British trade lanes, Brexit dealt an initial blow, precipitating a degradation of the island's economic health as early as 2016. The second blow manifested as the successive pandemic lockdown phases, which effectively isolated Great Britain and severely depressed tourist traffic. Beyond the English Channel, numerous domestic European maritime connections were heavily disrupted and slowed down by the global health crisis. European ocean carriers consequently lowered their profiles and hunkered down to weather the storm. State-backed public aid and financial support mechanisms were deployed across Greece, Spain, Italy, Great Britain, Finland, Estonia, and Sweden. Within the French landscape, Brittany Ferries secured the commercial backing of its regional institutional partners and the State, complemented by a strategic rescue loan from CMA CGM. Generally speaking, these public subsidies prevented the structural weakening of this vital European maritime sector, which consequently avoided the major corporate consolidations or bankruptcies typically triggered by systemic crises.

Following the privatization of legacy state-owned shipping lines and the routine acquisition of regional operators, a clear pan-European panorama crystallized during the 2010s, dominated by three undisputed leaders:

- Stena Line, controlled by the Swedish Olsson family (whose multi-modal portfolio also encompasses oil tankers and dry bulk shipping).
- DFDS, operating under the influence of the Danish Lauritzen family foundation, whose alternative corporate core business lies in dry bulk shipping.
- Grimaldi Group, the Naples-based conglomerate.

⁶ The remaining shareholders are the City of Hamburg (13.9%), the Chilean company CSAV (30%), the sovereign wealth funds of Qatar (12.3%) and Saudi Arabia (10.2%), alongside a 3.6% free float.

⁷ The German airline allied with MSC to bid for the privatization of the Italian carrier ITA.

Particularly dynamic over the past twenty years⁸, the Italian shipowner expanded its empire in 2021 by purchasing Trasmediterranea's Balearic Island trade lines from Naviera Armas, thereby establishing a brand-new operational stronghold in Spain under the corporate name Tramed GLE. For DFDS, following its landmark acquisition of the Turkish operator U.N. Ro-Ro in 2018, the strategic priority focuses on developing integrated rail landbridges, as demonstrated in 2022 by the corporate takeover of the German logistics specialist primeRail.

Alternative regional shipping lines bear the hallmark of their ambitious founders and directors⁹: Corsica Ferries led by Pierre Mattei, Baleària under Adolfo Utor, Irish Ferries guided by Eamonn Rothwell, and Moby Lines spearheaded by Vincenzo Onorato. To this list must be added the dynamic Estonian operator Tallink and the Greek conglomerate Attica Group. All of them share a corporate history rooted in commercial aggressiveness and highly flexible labor arrangements ("*montages sociaux*") that have frequently propelled them from market outsiders to industry leaders. Operating more discreetly within the Ro-Ro short-sea shipping sectors are prominent family-owned groups such as Suardiaz (Spain), the Cigrang family's CLdN (Luxembourg), and Wagenborg via its subsidiary Transfennica (Netherlands).

Norwegians and Greeks at the zenith, Germany at low ebb

Norway firmly maintains its position as a first-rate commercial maritime superpower. Within the pure car and truck carrier (PCTC) segment—which was heavily penalized by the health crisis—operates Wallenius Wilhelmsen, bridging the Swedish Wallenius and the Norwegian Wilh. Wilhelmsen lines. The alternative leading Norwegian actor is Leif Høegh & Co, which also commands a strong position in the LNG sector. This lucrative liquefied natural gas market notably involves specialized players like Golar LNG and Knutsen OAS Shipping. The latter has furthermore established a dedicated LNG vessel management subsidiary in France under the French International Register (RIF).

The Norwegian tanker sector remains highly substantial (Odfjell, Viken Shipping, etc.), and its most famous figure is undeniably John Fredriksen—the exact archetype of a shipping tycoon typically found within the Greek maritime ecosystem. Having taken Cypriot citizenship while residing in London, he stands as the largest maritime industrial captain in Europe. His corporate empire encompasses Frontline (oil tankers), Golden Ocean Group (dry bulk), Flex LNG (liquefied natural gas), Avance Gas (LPG), and Seadrill (offshore drilling). In 2022, John Fredriksen launched a strategic corporate assault against Euronav, one of the giants of European crude oil transport, triggering an intense shareholder battle against the Saverys family's CMB (*Compagnie Maritime Belge*).

However, the absolute largest cluster of shipowners in Europe remains firmly rooted in Greece. The world's leading maritime nation relies on a dense network of independent shipowners who, over the decades, have expertly tracked the cycles of global shipping markets as agile operators or asset-playing tonnage providers—frequently initiating periods of market euphoria while successfully evading the collapses of overly speculative trends. By 2022, 76 Greek shipowners commanded a fleet exceeding 1 million deadweight tonnes (dwt), representing a cumulative fleet of 3,316 vessels aggregating 350 million dwt (+6.3%). Crucially, only sixteen of these corporations are listed on public stock exchanges, a metric that brilliantly demonstrates the enduring power and structural sovereignty of the Greek family-owned business model.

Within this vast landscape of shipping companies, major conglomerates naturally stand out:

Maran Tankers / Angelicoussis Shipping Group, founded by John Angelicoussis and currently led by his daughter Maria, dominates the global rankings in the spring of 2022 with 141 vessels (26.4 million dwt)—up from just 43 vessels (7.4 million dwt) twenty years prior. Her sister, Anna Angelicoussis, operates her own independent lines via Alpha Bulkers and Alpha Gas.

Navios Group, the second-largest Greek maritime entity, is also directed by a woman: Angeliki Frangou, who commands a diversified fleet of 164 vessels (16.82 million dwt) spanning multiple shipping segments.

⁸ Grimaldi is directed by the founder's two sons, Emanuele and Gianluca. It is active in short-sea shipping in Italy (Grimaldi Lines), the Baltic Sea (Finlines), and Greece (Minoan), in the Con-Ro segment on the Atlantic with ACL, and in North-South new vehicle transport (Grimaldi Deep Sea).

⁹ Regional anchor shipping lines must not be overlooked, such as Brittany Ferries (Brittany, Normandy), Corsica Linea (Corsica), Viking Line (Åland / Finland), Smyril Line (Faroe Islands), Naviera Armas (Canary Islands), and Anek Lines (Crete). There remains the specific case of P&O Ferries, operating under the influence of the global port terminal operator DP World (Dubai).

Alternative leading Greek houses include George Economou's TMS/Cardiff, Petros Pappas's Star Bulk / Oceanbulk, and George Procopiou's Dynacom / Dynagas. One could further cite the prominent names of Peter Livanos, Dinos Martinos, Diamantis Diamantidis, Costis Constantakopoulos, and Andreas Martinos.

While the strength of European shipping traditions remains firmly preserved across Norway and Greece, the same cannot be said for Germany. The traditional economic model of Hamburg-based shipping houses relied heavily on owning vessels intended for third-party chartering, backed by robust bank financing and the structural mechanics of limited partnership tax shelters, known as Kommanditgesellschaft (KG) houses. Throughout the 2010s, this German asset-playing model suffered a catastrophic crisis face to collapsing charter rates triggered by chronic overcapacity, coupled with the mass withdrawal of individual private investors and institutional lenders, notably the major commercial banks. By 2021, according to the German Shipowners' Association (VDR), the cumulative credit exposure of German banks to maritime shipping loans contracted to \$34 billion, down from a staggering \$133 billion in 2011.

The German maritime world effectively paid the price for its excess of ambition in pursuing the market promises of the turn of the century. The structural outcome is that the number of commercial vessels controlled by German interests has sharply declined. The country's controlled merchant fleet was severely reduced, dropping from 3,757 units in 2011 to 2,492 units in 2021. Concurrently, German container ship ownership plummeted to approximately 1,000 vessels, down from over 1,700 a decade prior. A strategic review of the world's leading container ship owners reveals a profound retreat of all traditional German shipping lines. It remains to be observed how they nevertheless managed to capitalize on the unique container shipping boom of 2020–2021.

Mandatory and committed greening strategies

According to Oxford Economics, in 2020, the European maritime industry—which controls 40% of the global merchant fleet—contributed directly €54 billion to the European GDP while supporting 685,000 direct jobs. European maritime transport clearly possesses immense structural strength through its dense network of corporations, further reinforced by the highly lucrative context of the container shipping sector. Container liner operators cleared record-breaking windfall profits, which are being utilized among other strategic goals to reinvest heavily in fleet renewal. Consequently, the newbuilding order books of the four leading European container conglomerates are exceptionally well-stocked. This capital deployment is as much a question of securing future transport capacity as it is a mandatory response to tightening energetic and environmental mandates.

This greening agenda is locked into the regulatory calendar of the IMO—whose next milestone in 2023 centers on vessel energy efficiency upgrades—and is further accelerated by the European Commission's Green Deal legislative packages. Therefore, deep decarbonization has become an embedded, foundational pillar within shipowners' corporate strategies. Today, their immense market critical mass enables them to catalyze large-scale innovation processes (LNG, biofuels, biomethane, e-methanol, green ammonia, hydrogen, and wind-assisted propulsion) in close partnership with shipyards, marine engine manufacturers, energy majors, and specialized tech start-ups. Collaborative initiatives are multiplying through cross-industry coalitions, such as the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping (backed notably by Maersk and Hapag-Lloyd) and the Green Marine Europe environmental certification program (supported by MSC and Stena Line), alongside independent corporate pathways championed by CMA CGM, DFDS, and the Grimaldi Group.

Within these strategic pathways, LNG and sustainable biofuels (developed in partnership with Shell) are heavily prioritized by CMA CGM. Concurrently, MSC is integrating LNG propulsion into its cruise ship newbuilds and now systematically applies this technology to its mega-container ships. Maersk has positioned itself as a global pioneer in green bio-methanol, while Stena Line is actively testing recycled methanol salvaged from steel industry industrial waste gases. Green ammonia is being actively envisioned for transoceanic trades by both DFDS and Maersk. Simultaneously, hydrogen fuel cell (FC) technologies are scaling up to supply auxiliary electricity and power grids on board.

Propelled by extraordinary macroeconomic growth for some (the container sector) or driven by societal and regulatory demands for others (the cruise and ferry segments), European shipping lines are moving forward in environmental performance. Even if the temptation of corporate greenwashing can occasionally be pointed out, the maritime industry has turned technological innovation into the absolute key to its response to the programmed decarbonization scheduled for the middle of this century.

Perfectly formatted for European economic integration and globalized trade, European shipping remains in the hands of around fifty dominant corporations and sovereign family-owned conglomerates. Europe derives immense wealth from this maritime power in terms of value added and employment, but concurrently demands strict environmental performance—a dual challenge that European maritime actors firmly assert they are capable of tackling.

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