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## American port strike looms as shipping's next major chokepoint

[Sam Chambers](#)

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Port Authority of New York and New Jersey

The real threat of a dockworker strike at ports across the US east and Gulf coasts come October 1 could knock supply chains out of synch through to 2025, according to new research from Copenhagen.

Contract negotiations have broken down between the International Longshoremen's Association (ILA) and port operators. The current agreement, which covers about 45,000 dockworkers at facilities including six of the 10 busiest US ports, expires September 30.

The ILA union issued a newsletter recently focused solely on showing pictures from past strikes accompanied by the text: "The last coast wide strike of the International Longshoremen's Association took place in 1977. Please take a moment to look through all the photographs displaying all the strikes and struggles the ILA has had to endure to build our great union into what it is today."

*A one-week shutdown could take four to six weeks to recover from*

The union also uploaded a video on Facebook including an image of a dragon eating a container vessel, and the union's chairman in front of a large banner saying "Ready for war". The ILA is calling for a 76% pay rise.

Danish carrier Maersk has warned in an advisory to clients that should a general work stoppage occur, even a one-week shutdown could take four to six weeks to recover from, with significant backlogs and delays compounding with each passing day.

Experts at Sea-Intelligence, a Danish container shipping analyst firm, suggest that for every one day of strike, it might well take at least four to five days to "clean up" to get back to normal. A one-week strike on October 1 would lead to large congestion problems into mid-November, according to Sea-Intelligence, while a two-week strike would mean ports would not get back to normal operations until 2025.

The ILA plans to have internal meetings on September 4 and 5 to assess contract demands and then also devote time to instruct local union organisations on strike strategies.

Writing on LinkedIn recently, Lars Jensen, who heads up container advisory Vespucci Maritime, suggested any strike will ultimately cost American consumers.

"Major congestion issues will lead to capacity shortages, and as we have seen amply demonstrated in the last four years this leads to higher freight rates and higher profitability for the container lines," Jensen wrote.

In June last year, a deal was finally struck for a six-year labour contract at 29 US west coast ports, bringing to a close a fraught 13 months of stalled negotiations, walk-outs and cargoes emigrating to alternate locations.