

## Sea-Intelligence analyses impact of potential ILA strike

August 14, 2024



The agreement between the US East Coast port workers' union International Labour Association (ILA), and the terminals organization United States Maritime Alliance (USMX) expires on 30 September.

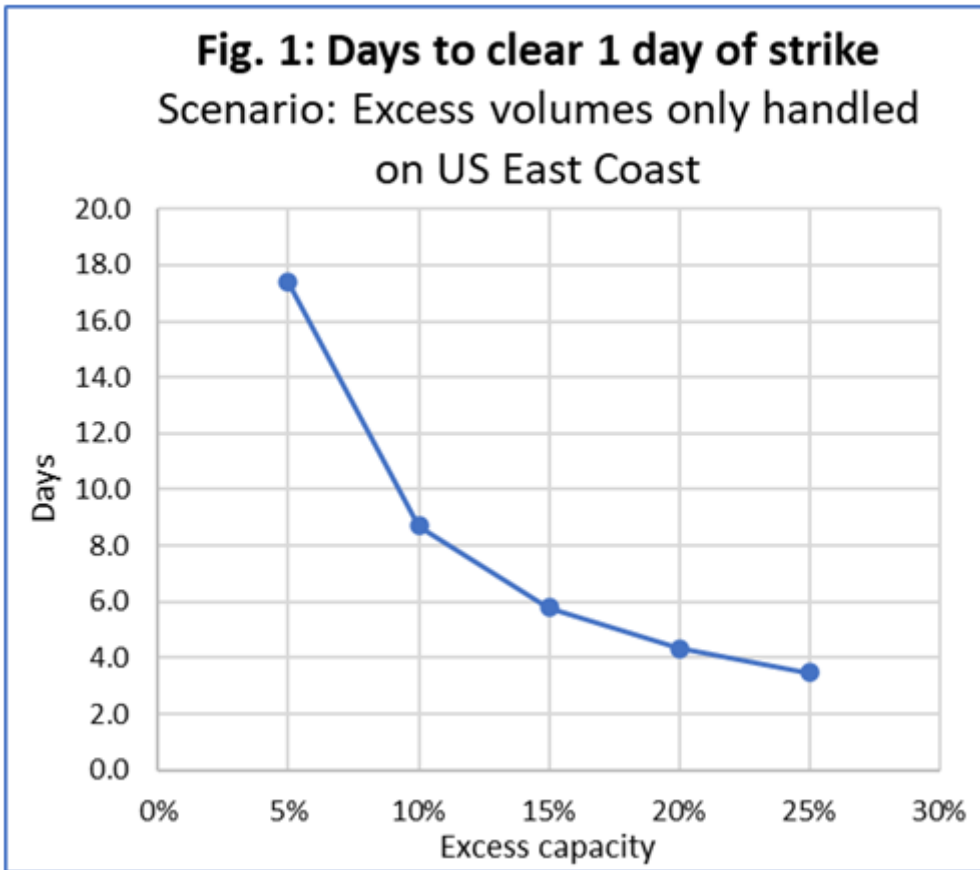
ILA has been adamant that if there is no new agreement, they will initiate a strike from 1 October.

"In this context, it is worthwhile to look at the impact in terms of actual container volumes, and how long it would potentially take to move the impacted containers, once the strike is over," said Sea-Intelligence in a recent analysis.

Using historical data, the Danish shipping data analysis firm estimates US East Coast handling volumes of 2.3 million TEUs in October, which translates into 74,000 TEUs per day, split 36,000 on imports and 38,000 on exports. For empties alone, a strike would mean the inability to load 20,000 TEU daily.

Once a potential strike is over, this buildup of containers would have to be handled on top of the normal flow. The capacity with which to clear this backlog, equals the excess capacity available in the port systems on the East Coast. Excess capacity in this context is the ability of the port to handle volumes, above what is actually handled.

"One way to estimate this excess capacity is to look at the maximum containers ever handled on the East Coast versus the expected handling in October 2024," said Sea-Intelligence analysts. "We estimate that the port system in October would have an ability to increase port handling by 13% compared to the expected 2.3 million TEUs."



Source: Sea-

Intelligence.com, Sunday Spotlight, issue 677

The figure shows the time it will take to clear out the backlog of 74,000 TEUs created from 1 day of strike, at different levels of excess capacity.

"As we estimate the East Coast ports to have 13% excess capacity over the expected normal flow of 2.3 million TEUs in October, then it would take 6 days to clear the backlog from 1 day of strike," explain the analysts. "If the ports have just a little more excess capacity available, this would more realistically bring this figure down to 4-5 days."

In this scenario, CEO of Sea-Intelligence Alan Murphy pointed out that "a 1-week strike in the beginning of October, would not be cleared until mid-November."

Murphy concluded, "If we get a 2-week strike, then realistically, the ports would not be back to normal operations until we are into 2025."