## LA and Long Beach ports benefit as East Coast strike beckons

The trend of US West Coast cargo diversions continues as the noise about a potential East Coast and Gulf ports strike from 1 October grow louder.

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Credit: Port of Los Angeles

With unions, represented by the International Longshoremen Association (ILA), and employers, represented by the United States Maritime Alliance (USMX) at an impasse in official talks, the main issues are wages and labour's concerns about automation at terminals.

Against this backdrop a trend of cargo diversions to the US West Coast continues. In a monthly media briefing, Gene Seroka, Executive Director at the <u>Port of Los Angeles</u> described a continued surge of cargo into the port, saying: "The Port of Los Angeles handled a near-record 960,597 teu in August, a 16% increase over the previous year. It was the busiest non-pandemic month ever at the Port...Eight months into 2024, the Port of Los Angeles is 17% ahead of its 2023 pace, already moving nearly 1 million more containers than last year."

Seroka talked about a strong economy, pre-Holiday moves and inventory replenishment in the manufacturing sector- but did not try to identify specific volumes of cargo shifted from the East Coast. He said, "Extensive labour negotiations...have prompted importers to allocate some of their cargo out west."

In questions regarding the potential to handle more cargo, he estimated that Port of LA could handle as much as 1.2 million teu in a month, 20% more than the August throughput. Historical data shows that Port of LA's busiest month ever saw 1,012,048 teu moving through in May, 2021.

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Across San Pedro Bay, at the Port of Long Beach, August saw its busiest month ever, with throughput of 913,873 teu, up 34% from the August of 2023. Year to date, the Jan thru August total of nearly 6.1 million teu is nearly 22% above the comparable period for the previous year.

<u>Port of Long Beach's</u> CEO, Mario Cordero, said: "Cargo diversions and concerns about upcoming tariffs are creating a busy peak season for us," and like its neighbor across the bay, indicated that greater volumes could be handled. Cordero said: "We're prepared for the uptick in shipments and continued growth through the rest of the year with a dedicated waterfront workforce, modern infrastructure and plenty of capacity across our terminals."

On the carrier side, Seroka's webcast included an interview with liner veteran George Goldman, President and CEO of <u>CMA CGM</u> (Americas) who emphasized the importance of both sides cooperating; "We need them, they need us," he said, adding later in the webinar that: "Our desire is to get to a resolution."

He acknowledged that some cargo owners had been "front loading" cargo, which includes diversions to the West Coast, but said, "Right now, we're waiting to see what happens." As far as continued cargo flows, he said, "We see strength...We are bullish..." pointing to the need for consumers to replace items purchase in the early days of the pandemic (leading to the 2021 supply chain overload).

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Both Seroka and Goldman were adamant that no vessel sailings had been shifted (to the West Coast), as opposed to customer re-routing their boxes within existing networks.