

Splash

247.com

American ports brace for shutdown

[Sam Chambers](#)

September 30, 2024



Port Authority of New York & New Jersey and CMA CGM Group

As *Daily Splash*, [our free newsletter](#), published today there remained just 19 hours until one of this century's most hard-hitting port strikes takes effect.

After many months of stalled negotiations, some 45,000 workers across 36 US east and Gulf ports will likely down tools at midnight tonight, leading to extraordinary vessel queues across America's eastern seaboard.

The International Longshoremen's Association union said on Sunday the strike is set to go ahead, the first industrial action on such a scale since 1977.

"United States Maritime Alliance ... refuses to address a half-century of wage subjugation," the union said in a statement. The United States Maritime Alliance, known as USMX, represents port employers on the east and Gulf Coasts.

White House spokesperson Robyn Patterson said late Sunday that over the weekend, senior officials have been in touch with USMX representatives “urging them to come to a fair agreement fairly and quickly – one that reflects the success of the companies.” The officials also delivered the same message to ILA, she added.

Earlier on Sunday, president Joe Biden said he did not intend to intervene to prevent a walkout if dockworkers failed to secure a new contract. The ILA has been seeking wage increases of more than 70% plus commitments by port operators not to automate their facilities.

Restrictions on reefer and dangerous cargo bookings for US exports are already in effect.

Danish liner consultancy Sea-Intelligence is reporting carriers have already changed their operational schedules, omitting some ports on the US east and Gulf coasts, while discharging their US-bound cargo in alternate ports including at destinations outside the US.

Several American ports have said they will accept their last inbound trains at 8 am today and close inbound truck gates at noon. By 1 pm, all ships will be away from the docks.

Shippers hoping Canadian terminals can pick up some of the slack have been shocked to hear of a 72-hour partial strike by dockworkers in Montreal, the largest port on Canada’s eastern seaboard, which is expected to take place from this morning taking out some 41% of the port’s container terminal capacity.

Looking beyond containers, Gulf Coast ports, especially Houston and New Orleans, handle 60-70% of the US exports of crude oil, refined petroleum products, and natural gas, according to Project44, an American supply chain platform.

A significant portion of the petrochemical supply chain, including plastics and chemical feedstocks, also moves through these ports.

About 60% of US grain and soybean exports flow through Gulf Coast ports, with New Orleans being a major hub for agriculture exports from the Midwest.

Gulf Coast ports handle around 25-30% of US exports of industrial machinery and heavy equipment, much of it bound for Latin America and Europe.

Approximately 30-35% of US automotive imports and exports pass through east coast ports, especially vehicles and parts from Europe.

Combined, the east and Gulf coast ports handle about 25-30% of US imports of steel, cement, and other construction materials, primarily sourced from Europe and Latin America.