

US East Coast strike would hit European and South American cargo

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Port of Savannah

Alphaliner's report states that any strike by US East Coast port workers would complicate US imports from Europe and South America.

While Asian exports to the US East Coast could divert to the US West Coast, the US East Coast is the main gateway for European and South American imports. European and South American imports account for 45% of US East Coast volumes.

Alphaliner stated: "The problem will be worsened by the fact that volumes are currently booming on both coasts: Long Beach announced an all-time record for container volumes in August, citing diversions and shipper concern about future tariffs."

Long Beach moved 913,000 TEUs in August, marking an all-time monthly record. Meanwhile, both Los Angeles and New York/New Jersey recorded their busiest July on record, as shippers brought forward shipments to avoid delays later in the year. Los Angeles processed 939,600 TEUs in July, up 37% year-on-year, while New York/New Jersey moved 806,015 TEU.

Industrial action would hit all container ports from Maine to Texas. According to HSBC Bank, last year these US east coast and Gulf ports accounted for 57% of all US imports.

The strike by International Longshoremen Association (ILA) workers is just 14 days away. It is understood the union wants an increment higher than the 32% won by their US West Coast peers last year.

In contrast to their US West Coast counterparts, ILA workers receive royalties based on how much tonnage they process in a year at their port. While the union says it is prepared to strike, they are also incentivised not to push cargo to divert else-where in the long term.

The current workers agreement expires on 30 September. A no-strike clause is in place until the contract expires. It is important to note that ILA members' last strike was back in 1977.

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