US East Coast and Gulf dockworkers start strike paralysing ports

Ports along the US East and Gulf Coasts have shutdown with dockworkers walking out on strike as the previous labour contract expired.

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File Photo: Bayonne Terminal at the Port of New York and New JerseyCredit: PANYNJ

At a Glance

- Dockworkers walk out on strike at container terminals from Maine to Texas
- Last ditch talks and counter offers between employers and unions fail to bring agreement
- Picket lines start to form at ports within minutes of deadline passing

Members of the International Longshoremen Association (ILA) went on strike from 12:01am on 1 October paralysing container ports on the US East and Gulf Coasts.

Last ditch talks failed to avert the strike at ports from Maine to Texas, for the first time since 1977.

Video on social media showed striking dockworkers marching to picket Conley terminal in Boston minutes after the deadline passed.

The Port of Virginia posted an update on its website saying a strike had started at 12:01am on 1 October. "As a result of the expiration of the master agreement between United States Maritime Alliance (USMX) and the International Longshoremen's Association (ILA), there is a work stoppage at The Port of Virginia and other ports along the US East and Gulf coasts," it said.

The Port of New York and New Jersey said in post on X that all its marine terminals and depots would be close on 1 October.

On Monday after a months long impasse in negotiations over a new master labour contract employers, represented the United States Maritime Alliance (USMX), said "In the last 24 hours, the USMX and ILA have traded counter offers related to wages."

The USMX made an improved offer which it said would increase wages by nearly 50% and requested an extension of the existing six-year master contract.

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While there has been no official statement the ILA would appear to have rejected the offer sticking to its demands for 77% wage increase over the six years of the contract and a ban on further automation at ports.

In a statement issued at 11am on 30 September the ILA said: "The Ocean Carriers represented by USMX want to enjoy rich billion-dollar profits that they are making in 2024, while they offer ILA Longshore Workers an unacceptable wage package that we reject."

Major container lines including <u>Maersk</u>, <u>MSC</u>, <u>Hapag-Lloyd</u>, and <u>CMA CGM</u> have already announced labour disruption surcharges.

With unions saying they will not handle vessels diverted to the US West Coast, and little additional capacity at Mexican and Canadian ports, container vessels bound for East Coast ports are expected to drop anchor and wait out the strike.

Ocean Network Express CEO Jeremy Nixon said last week, "So, the vessels are now on their way to the East Coast will have to sit and wait until that industrial disruption is resolved."

Earlier this month HSBC Global Research's latest Global Freight Monitor report noted that US Gulf and East Coast ports accounted for 57% of US imports and 8% of global container trade in 2023. A surge in volumes diverted to US West Coast ports in recent months has seen this share reduce slightly in 2024 to 55.5% of total import volume year-to-date.

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