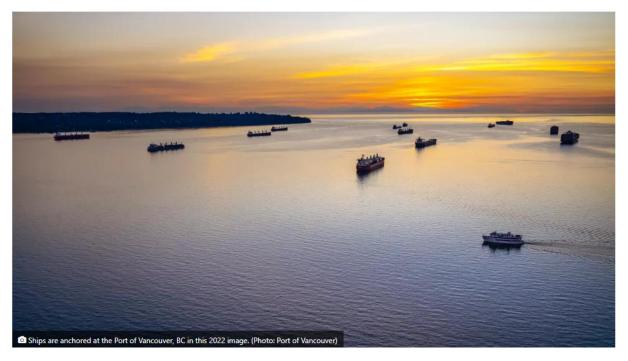
Lockout stalls more container ships outside western Canada ports

Union contract fight has halted container handling

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Ships are anchored at the Port of Vancouver, BC in this 2022 image. (Photo: Port of Vancouver)

Container ships continue to line up outside Canada's busiest import gateway as carriers wait for a lockout of union longshore employees to end.

On Monday, 700 forepersons represented by International Longshore and Warehouse Union (ILWU) Local 514 were locked out by ocean carriers and terminal operators represented by the British Columbia Maritime Employers Association (BCMEA) at the west coast ports of Vancouver and Prince Rupert, after the union rejected what the employers group said was its "final" contract offer.

The union also is objecting to the introduction of automation in port operations.

Longshore foremen supervise other longshore workers and manage loading operations in port facilities.

As of Wednesday, a total of 11 container ships, including seven at Vancouver, were waiting in the region, up from six prior to the lockout, according to supply chain data firm Everstream Analytics. That total is expected to grow as more scheduled ships arrive in the coming days.

The ports handle an estimated \$800 million worth of trade a day.

In 2023, a 13-day strike at the British Columbia ports disrupted more than \$4.32 billion in trade. The current dispute comes at the same time as a strike <u>at the Port of Montreal</u>.

If the labor dispute drags out, the effects could soon be felt in the United States.

"Any port disruptions in Vancouver would have the most significant impacts on imported goods destined for markets in the western U.S.," said Jena Santoro, senior manager of intelligence solutions at Everstream, in comments accompanying the data. "Vancouver is a critical entry point for perishable food items like dairy, produce, and seafood, and manufactured goods like automotive components.

"Further, vessel diversions to U.S. west coast ports could cause congestion to spike and prompt cargo processing backlogs at ports like Seattle, Oakland, and even further south like Los Angeles-Long Beach. As other nearby Canadian ports are also participating [in the lockout], diversions to U.S. west coast ports are even more likely. Intermodal transport from Vancouver, namely, rail and ground freight, would also be affected as prices would likely increase amid trucker shortages and cargo delivery delays."

Prince Rupert is an originating point for intermodal traffic moving by rail to Chicago and the U.S. Midwest.

Current data indicate that carriers are choosing to have their vessels wait at anchor instead of rerouting to U.S. West Coast ports. But no resolution to the shutdown in the coming days could see the first diversions as lines look to avoid costly delays.

Everstream said historical data shows that for every day the lockout continues, it will take three to four days to return to normal operations.

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