

CANADA Daily News and Updates December 5th 2024

Ocean Updates

- 'Gemini Cooperation' Is Officially Open for Bookings, Kicking Off in February
- Container Rates Buoyed by Tariff, Strike Threats
- East Coast Longshore Contract Talks Break Down Over Automation

Ocean Updates

'Gemini Cooperation' Is Officially Open for Bookings, Kicking Off in February

Effective December 3, the "Gemini Cooperation" ocean network is open for bookings, according to a customer advisory recently issued by Hapag-Lloyd. The Gemini Cooperation is a long-term operational collaboration between A.P. Moller-Maersk and Hapag-Lloyd, which will take effect in February.

Hapag-Lloyd will exit THE Alliance, which also includes Ocean Network Express, Yang Ming and HMM, at the end of January, and Maersk and MSC will conclude their 2M alliance at the same time, which they announced a year ago.

Read more in an [article from Logistics Management](#).

Container Rates Buoyed by Tariff, Strike Threats

The dual threats of tariff hikes and port strikes continue to buttress ocean freight rates through what is historically a post-peak trough.

Asia to U.S. West Coast rates fell 4% to \$4,905 per forty-foot equivalent unit while Asia-U.S. East Coast prices climbed 13% to \$6,095 per FEU for the week that ended on Friday, according to the Freightos Baltic Dry Index.

Some frontloading ahead of a possible strike by the International Longshoremen's Association after an extension of the coastwise master contract expires on January 15, "and expectations of tariff increases next year have kept transpacific ocean rates elevated to start December, with rates to the West Coast – even before the Lunar New Year 2025 rush – already above their pre-Lunar New Year 2024 highs seen back in January at the start of the Red Sea crisis," wrote Judah Levine, head of research for Freightos. "Some carriers are reportedly introducing significant general rate increases (GRI) to try to push rates higher to start the month."

Levine noted that, while the arrival window to move shipments from Asia to the East Coast before the strike deadline is closing, "a significant amount of inventories were already built up from frontloading ahead of the October strike, and there is likely still a runway of at least several months before tariffs go into effect."

That could make early-December rate increases difficult to sustain, he said, though prices could increase later in the month or early in January ahead of Lunar New Year.

Read more in an [article from American Shipper](#).

East Coast Longshore Contract Talks Break Down Over Automation

After promising not to negotiate their new master contract in the media, the International Longshoremen's Association and the United States Maritime Alliance issued statements arguing their positions on semi-automation technology for U.S. ports along the East and Gulf Coast. The ILA said the talks are at "a crossroads with ocean carriers and employers," reporting an impasse over the use of semi-automated rail-mounted gantry cranes (RMGs).

After four scheduled days of negotiations, the ILA contends that USMX introduced new semi-automation mid-way through the talks, "causing the talks to break down."

"USMX-ILA negotiations ended when management introduced their intent to implement semi-automation – a direct contradiction to their opening statement where they assured the ILA that neither full nor semi-automation would be on the table," said ILA President Harold Daggett.

He said the stalemate over automation and semi-automation threatens to cause another strike in less than six weeks.

USMX responded saying it is not seeking to eliminate jobs but that U.S. East and Gulf Coast ports need to be made more efficient. They point out that most of the ports lack land to expand, saying that to meet demand and handle more volume the only way is "to densify terminals – enable the movement of more cargo through their existing footprint."

Read more in an [article from The Maritime Executive](#).