

Friday, October 4, 2024

US East Coast port strike ends after three days

Dear valued Customer,

We are pleased to inform you that the recent strike at major US East Coast ports has temporarily come to an end. The International Longshoremen's Association (ILA) and the United States Maritime Alliance, Ltd. (USMX) have reached a tentative agreement on wages and have agreed to extend the Master Contract until January 15, 2025.

Although the strike only lasted three days, it will take some time for the situation to normalize again, as more and more ships are waiting outside the ports and there is a backlog of export freight. Experts point out that the disruption's ripple effects may persist for some time.

According to Lars Jensen, CEO and partner of Vespucci Maritime, the backlog caused by the strike could result in continued delays and congestion as ports work to clear the accumulated cargo. "The supply chain recovery will not be immediate," Jensen explains, highlighting that shippers may still face elevated transit times and fluctuating rates in the weeks ahead.

According to Peter Sand from Xeneta, the solution came a little quicker than expected. "Container shipping supply chains are already suffering greatly from the situation in the Red Sea. A long crisis at US EC and GC would have been poison for the market," he says, adding: "The duration of the strike has brought many challenges: higher freight rates, more than 50 ships in the queue, diversions for Canada and Mexico." He still expects Europe and Asia to feel the effects of the strike.

If you have any questions about your shipments, please get in touch with your known contact person in the Leschaco Group.

Further developments and effects remain to be seen. We are actively monitoring the situation and working closely with relevant partners to minimize any potential disruptions to your supply chain operations. Our team is committed to providing timely updates and support to ensure minimal effect on your business activities.

We will make every commercially reasonable effort to fulfil the agreements concluded with you on time and under the agreed conditions. However, we cannot exclude the possibility that these developments and events may prevent us from doing so or may cause additional costs.

Kind regards

Leschaco (Lexzau, Scharbau GmbH & Co. KG)

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Disclaimer

Please note that all information reported in the Customer Advisory is to the best of our knowledge at the time of writing, but we cannot guarantee its correctness or accuracy.