



Classified – External

Global Market Update

September 2024



PENTAGON

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1 Global Ports Update

1.1 USA

The International Longshoremen's Association (ILA) posted its unanimous support for strike action at East and Gulf US ports from 1st October 2024 if a new six-year Master Contract on wage and conditions is not reached by the 30th of September to replace the current agreement, following the union meeting in New Jersey on the 4th & 5th September.

Talks between the ILA and the United States Maritime Alliance (USMX) stalled after the union alleged that Maersk's APM Terminals was using an auto gate system found at the port of Mobile, Alabama, may be encroaching on its jurisdiction. ILA President Harold J. Daggett stated: "The actions of violating our current Master Contract by some of their members caused us to cancel scheduled negotiations with USMX in early June."

The ILA has a firm stance against increased port automation. "We will not entertain any discussions about extending the current contract, nor are we interested in any help from outside agencies to interfere in our negotiations with USMX," said President Daggett. "This includes the Biden Administration and the Department of Labor." The ILA has said it is looking for recognition of the longshore workers' keeping the ports functioning during the pandemic.

According to Sea-Intelligence, the potential impact of a strike on container shipments would be significant: "Using historical data, we estimate US East Coast handling volumes of 2.3 million TEU in October, which translates into 74,000 teu per day, split 36,000 on imports and 38,000 on exports. For empties alone, a strike would mean the inability to load 20,000 TEU each day", it reported.

While ocean options are limited, the only alternatives could be to ship over US West Coast or Canadian ports Halifax, Montreal or St John, although some Caribbean transshipment ports have also been considered. A contact at MSC commented that "there are unlikely to be any alternatives available to ANY lines considering "Canadian ports would only take a couple of additional large US ships, and they would become congested". And commented that "Mexico has no infrastructure to support moving across border into the US, let alone the additional Customs issues this would present". Other carriers contacted are monitoring the situation but have not indicated contingency plan

[ILA Wage Scale Delegates Conclude Contract Negotiations With Unanimous Support For Call For October 1st Strike – ILA Union](#)

[Shippers seek alternatives as east coast port strike looms - The Loadstar](#)

[ILA Halts Negotiations with USMX Amid Automation Disputes – ILA Union](#)

[ILA: Threat of Strike at US East and Gulf Coast Ports “Growing More Likely” \(maritime-executive.com\)](#)

[Sea-Intelligence - Impact of potential ILA strike](#)

1.2 Canada

Rail services resumed in Canada less than a day after the lock-out strike involving 9,300 workers began on the 22nd of August following government intervention, but it is not clear how long this may continue according to The Loadstar. However, the Teamsters Canada Rail Conference (TCRC) Union has appealed to the Federal Court to challenge the decision.

A Canadian National (CN) spokesperson said that trains were starting to run and that the company’s plan to resume operations was under way. “We are focused on getting back to work,” said Jonathan Abecassis. “The Teamsters are focused on getting back to the picket line”. Both parties are now waiting on the response from the Federal Court.

The Maritime Executive reported “Neither the union nor the employers have yet served notice of a job action or lockout. Under Canadian labor law, a 72-hour notice would be required”. Both sides are scheduled to continue the CIRB hearing this week.

Meanwhile, Loadstar reports that “Air Canada has told its cargo customers to expect more than a week of disruption if a planned 72-hour strike goes ahead on Tuesday (17 September), noting it was preparing for the worst”. Industrial action has been threatened by the Air Line Pilots Association (Alpa), representing around 5,200 Air Canada and Air Canada Rouge pilots, if an agreement with the Canadian flag carrier cannot be reached.

[Strike Threats Continue to Loom Over U.S. and Canadian Ports \(maritime-executive.com\)](#)

[CN workers to strike Monday, vow to fight Canada move to end rail shutdown | Labour Rights News | Al Jazeera](#)

1.3 Germany

German trade union Ver.Di and German Seaport Operators (ZDS) have failed to reach an agreement over a pay increase increasing concerns over strike action at Germany's North Sea ports according to The Loadstar 27th August. " Both variants of the offer are completely inadequate", said the union.

Warning strikes have taken place at the ports of Hamburg, Bremen, Bremerhaven, Wilhelmshaven, Brake and Emden. Ver.Di has appealed to the ZDS to resume negotiations and "improve the offer presented".

No further strikes are planned as the two parties continue to negotiate terms.

[Threat of more strikes at German ports as workers reject 'inadequate' offer - The Loadstar](#)

1.4 Singapore

Port congestion has eased and is now averaging 1 day according to Elvis Teo, head of ocean operations at PFS Singapore. Elvis added that exports to Australia is challenging as carriers have reduced capacity on services due to increased profit margins on other trade lanes. As a result, there are shortages in space, equipment and sailings contributing to increased freight rates.

Meanwhile, CMA-CGM has stated that space is available to the Middle East and rates are softening. However, space and equipment to Europe remains tight although rates appear to be softening. Carriers have implemented a GRI to the US and there is a shortage of vessel space and equipment which is likely to remain up to China's Golden Week which starts from the 1st to the 7th of October.