

# Maersk CEO says port strike along US East, Gulf coasts is 'highly unlikely'



*Dockworkers on the US East and Gulf coasts are in negotiations with port employers over a new contract. Photo credit: Ceri Breeze / Shutterstock.com.*

**Greg Knowler, Senior Editor Europe | Aug 7, 2024, 11:11 AM EDT**

A strike by dockworkers at marine terminals along the US East and Gulf coasts is “highly unlikely,” Maersk CEO Vincent Clerc said Wednesday.

The existing contract between the International Longshoremen’s Association (ILA) and the United States Maritime Alliance (USMX) expires Sept. 30. ILA leadership has vowed to strike if a new deal is not inked by then.

“I look at the likelihood of having strong industrial action as in a strike as being highly unlikely,” Clerc told analysts during Maersk’s second-quarter earnings call.

“It is our expectation that when the contract expires in September there may be some extension of the contract as there is a lot that still needs to be negotiated, but I hope we can get to be seeing eye-to-eye with the ILA before we [see a strike],” he added.

Clerc played down fears of port shutdowns across the Eastern seaboard and Gulf Coast despite a ratcheting up of tensions by the ILA, which last weekend warned members to prepare for a strike.

ILA President Harold Daggett said in a statement that the union’s 45,000 members “are ready to hit the streets if our demands are not met.”

Negotiations are ongoing between the ILA and the USMX over a new master contract, covering workers at ports from Maine to Texas. The ILA is believed to be seeking an almost 80% wage increase over the life of its next six-year contract with maritime employers.

“We have had lockdowns and strikes in relation to negotiations on the West Coast, but that has not been the case on the East Coast,” Clerc said, adding that a strike would have serious consequences.

“If a strike were to happen, the impact could be quite significant in terms of the congestion it would create [and] the delays and the absorption of capacity it would suddenly create would be a big bottleneck in a well-traveled route,” he said.

Christian Roeloffs, co-founder and CEO of equipment visibility platform Container xChange, said the labor negotiations added another layer of potential volatility to US trade lanes.

“Retailers have been preparing for the peak season since early 2024, aiming to avoid stock shortages, and now that we’re entering this busy period, the focus will be on understanding the true demand dynamics,” Roeloffs said in a market update Wednesday.

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