

# Strike surcharges disappear as spot rates for US West, East coasts near parity



*Spot rates for Asia to the East Coast were pegged at \$4,300 per FEU this week, just \$100 higher than rates to the West Coast. Photo credit: ambient\_pix / Shutterstock.com.*

Laura Robb, Associate Editor | Oct 11, 2024, 2:56 PM EDT

Ocean carriers have dropped ad hoc surcharges that were linked to last week's short-lived longshore strike along the US East and Gulf coasts, adding downward pressure to freight rates that have fallen sharply in recent weeks.

"The strike fees are dead," one forwarder told the *Journal of Commerce*.

Carriers began pulling the charges shortly after the end of the strike was announced on Oct. 3. Pressure to do so came even earlier when Transportation Secretary Pete Buttigieg suggested that carriers withdraw any surcharges, saying that "no one should exploit a disruption for profit."

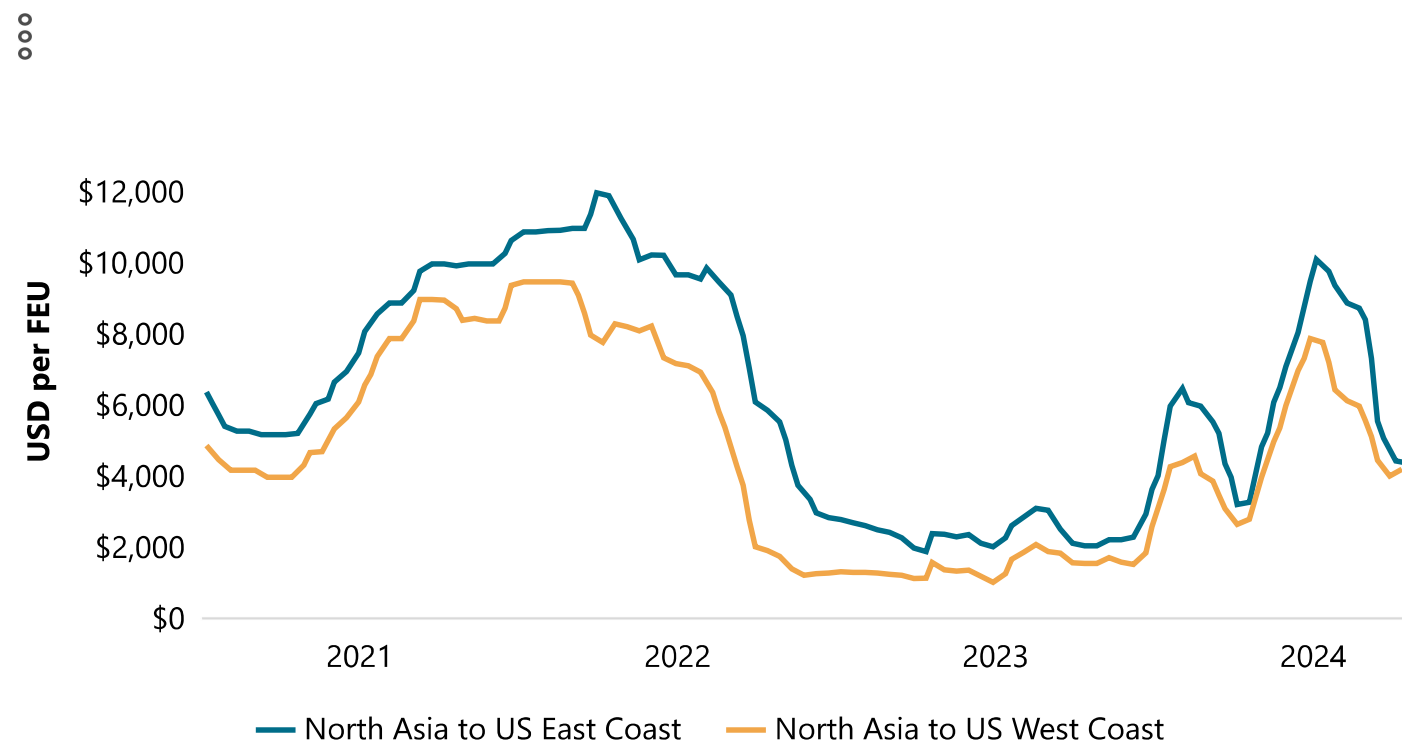
Liners began implementing surcharges on containers whose movement would be disrupted by the International Longshoremen's Association (ILA) strike. Some of the fees were hefty — Ocean Network Express (ONE), for example, announced a “congestion” surcharge of up to \$2,000 per FEU. ONE, CMA CGM and OOCL are among carriers who have withdrawn the surcharges.

“The strike-related surcharges were cancelled relatively quickly considering the port operation situation at ports was better than initially expected,” said a carrier source.

Added a second freight forwarder: “Contract holders are receiving cancellations of the surcharges. We had most of ours sent late last week and on Monday.”

### Asia spot rates to US East, West coasts nearing parity

Container rate from North Asia to US East and West coasts in USD per FEU



Source: Platts, S&P Global

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3M 6M 2Y YTD MAX

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Spot rates for Asia to the East Coast were pegged at \$4,300 per FEU this week, according to Platts, a sister company of the *Journal of Commerce* within S&P Global. That's down from \$7,350 per FEU on Sept. 6.

Ex-Asia cargo into the West Coast was assessed at \$4,200 per FEU — marking the narrowest differential with the East Coast ever observed on the Platts index. For the second half of October, some sources have reported observing offers on the two lanes at total parity.

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