

More ocean carriers unveil disruption surcharges linked to possible ILA strike



Sources said other carriers are planning to implement surcharges, which are often actually negotiated between carriers and their customers down from the originally announced amount. Photo credit: Daniel Wright / Shutterstock.com.

Laura Robb, Associate Editor | Jan 3, 2025, 8:02 AM EST

The number of container lines preparing surcharges ahead of potential disruption to US East and Gulf coast service networks has reached at least five as a Jan. 15 longshore strike deadline nears and new carrier alliances launch.

CMA CGM, Yang Ming and Hapag-Lloyd said they would implement surcharges ranging from \$1,125 to \$1,700 per FEU linked to the expected disruption should 45,000 dockworkers from the International Longshoremen's Association (ILA) walk off the job in less than two weeks.

The three carriers join Mediterranean Shipping Company and Zim Integrated Shipping, which in December announced they could implement disruption-related surcharges in

mid-January. Zim cited the potential ILA strike, while MSC said its charge was linked to the restructuring of its trans-Atlantic network from Feb. 1 when it will begin operating as a standalone carrier following its exit from the 2M Alliance with Maersk.

CMA CGM said Thursday it will implement a \$1,500 per unit “Peak Season Surcharge” (PSS) on Jan. 15 for all cargo from the Indian Subcontinent, Middle East, Red Sea and Egypt to the US East and Gulf coasts.

Hapag-Lloyd said it will implement an \$850 per TEU or \$1,700 per FEU “Work Disruption Surcharge” (WDS) and “Work Interruption Destination Surcharge” (WID) on any cargo gated in on or after Jan. 20. The WID would apply to trans-Pacific cargo, while the WDS would cover trans-Atlantic shipments, the carrier said.

“This surcharge covers additional costs from labor disruptions, strikes, slowdowns, unrest, congestion, and other unforeseen events that may delay operations and incur extra handling, storage, and feeder service costs,” Hapag-Lloyd said.

Yang Ming will implement a “Port Congestion Surcharge” (PCS) on Jan. 15 for all cargo moving into the US and Canada of \$800 per TEU and \$1,000 per FEU. The carrier said the potential labor unrest could increase its costs.

Sources said other carriers are planning to implement surcharges, which are often actually negotiated between carriers and their customers down from the originally announced amount.

“The others are hinting at it with their adjustments, just not openly stating it,” said a freight forwarding source.

The announced surcharges come as spot rates for ex-Asia cargo into the US have climbed sharply in the past month, according to Platts, a *Journal of Commerce* sister company within S&P Global. The Platts Container Index measured trans-Pacific East Coast import rates at \$6,400 per FEU and West Coast rates at \$5,000 per FEU as of Jan 2.

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