

Hapag Lloyd - Pre-Warning Railroad Strike USA

We would like to like to share what we know about the potential Railroad Strike in the US, even likely you already know all the details.

Source: <https://amp-cnn-com.cdn.ampproject.org/c/s/amp.cnn.com/cnn/2022/09/09/economy/freight-railroad-strike/index.html>

Source: https://www.joc.com/rail-intermodal/class-i-railroads/us-railroads-begin-cutting-service-deal-biggest-unions-remains-elusive_20220909.html

- 30% of aggregate USA cargo goes via rail in / out
- Biden administration doing all they can to avoid after unsuccessful emergency meetings at white house last week
- Strike to go into effect after 2400hrs on Friday if no deal reached
- US freight railroads reduced services starting Monday already– failure to agree on new contract
 - Two of the 12 rail unions still hold out (BLET and SMART) account for 90,000 employees for rail/truck
- Strike would cost US economy \$2bil/day (!!)
- Disruptions would spill over into ports causing severe congestion, snowball potential to vessel delays and backlogs
- Strike could also further disrupt trucking market , and result in spot rates back upward on certain trades

So far this is all we know and we will closely monitor the situation to keep you updated.

Right know we can't forecast which cargo will be affected to what extend.

Massive rail strike next week could deal another blow to America's economy
Freight railroads have been around since the 19th century, but you can't run a 21st century economy without them.