



# The Bottom Line

JUNE 2022 | VOL. 139

## German Port Labor Negotiations Falter

### Summary

Workers at the Port of Hamburg, Europe's third-largest container port and the largest railway port, have followed through on their threat of a one-day strike on June 23rd. In addition to Hamburg, the work stoppage also impacted the ports of Emden, Bremen, Bremerhaven, and Wilhelmshaven. While short-lived, the disruptions are likely to exacerbate congestion in the area.

### Background

The trade union Verdi represents approximately 12,000 workers at the seaports of Emden, Bremerhaven, Bremen, Brake, Wilhelmshaven, and Hamburg. The union is demanding a 14 percent increase or 1.20 euros per hour across the 58 collective bargaining companies including at the primary ports of Hamburg and Bremerhaven. They also demand an annual bonus of up to 1,200 euros due in part to the rampant inflation, which is driving up the cost of living. The union also requires that the contract only cover 12 months. In comparison, employers offer increases of up to 11 percent over 18 months.

The Central Association of German Seaport Companies (ZDS) negotiator Ulrike Riedel said that the industrial action was "completely disproportionate" and did not do justice to the current negotiations. "We are in the middle of an exceptional situation. Global supply chains are severely disrupted. On the one hand, a large wave of delayed ships is approaching us; on the other hand, there are major bottlenecks in rail freight traffic. Calling for warning strikes now is absolutely irresponsible," said Ms. Riedel.

### Current Status

"As part of the critical infrastructure, employees have worked continuously in recent years, pushed the limits, and, as key workers of the supply chains, have kept the shop running with their hard work. They deserve recognition and their fair share," said lead Verdi negotiator Maya Schwiigershausen-Gueth. The union said it would like to have avoided another strike but had no choice but to take to the streets for the first time since the 1970s to demand better conditions for its members. The union previously staged a four-hour warning strike at the beginning of June. They promise to continue increasing the pressure on employers while calling for further negotiations.

The shipping industry is warning of the costs and severe impact on the supply chain even from these short strikes. Currently, there are already 30 ships waiting in the North Sea for berths. This queue includes 15 large container ships.

"The situation in the North Sea is not yet leading to a dramatic collapse in Germany's maritime trade," said Vincent Stamer, Head of the Kiel Institute, "but it is certainly a burden, especially for shipping with Asia." The Kiel Institute reported that two percent of the world's trade and twelve percent of Germany's shipped goods were now stuck in the North Sea. The volume of which is expected to rise in the coming days.

The strikes come at a critical time for the European ports sector, as shipment overhang from the lockdowns in China is predicted to lead to a surge of imports into Europe in the coming weeks.

### Impact

Andreas Braun, EMEA ocean product director for Crane Worldwide Logistics, told American Shipper that the port's significance in feeder connections would affect the efficiency of containers being processed both in and out of those ports. "Feeder operators see up to five days' delays waiting for berth to pick up their containers, round trips between, as an example Rotterdam-Dublin-Rotterdam, increased from six to nine days, and more vessels need to be injected by the feeder operators to keep the schedule somehow reliable," Braun said.

Striking workers have engaged in demonstrations in city centers and could maintain pickets outside ports. Localized ground transport disruptions are likely in the vicinity of any gatherings. Maritime transport disruptions and processing delays could extend for several days after the strike ends as port authorities work to clear backlogs. Ocean carriers will have very few options to discharge Hamburg imports at other ports in hopes of transporting them over land. Instead, they will be obliged to sit and wait with their vessels, hoping that a new labor deal can be reached quickly.

### RESOURCES

[Germany's North Sea Ports Paralyzed by One Day Strike \(maritime-executive.com\)](#)

[Employers slam German docker strikes as 'absolutely irresponsible' - The Loadstar](#)

[Germany: Shipping disruptions due to ongoing port workers' strike at six German ports June 23 | Crisis24 \(garda.com\)](#)

[Workers at 5 German ports walk out in 'warning strike' over pay - FreightWaves](#)

[Another strike at major German ports as pay negotiations break down again - The Loadstar](#)