

# The looming dockworkers strike adds to retailers' Q4 uncertainty

Article

**The situation:** It looks increasingly likely that thousands of dockworkers at major East and Gulf Coast ports will go on strike on October 1. The current agreement expires on September 30 and the two sides haven't sat down at the negotiating table in months.

- The 14 ports affected by the strike are responsible for over half of all goods shipped in containers to and from the US.
- The strike could impact the availability of goods ranging from bananas to furniture to cars, per Bloomberg.

Several major container hubs have extended their gate and terminal hours to help offset some of the early impact of the strike, per Freightos.

**Bad timing:** A strike could cost the economy as much as \$5 billion a day, per JPMorgan, which would be a massive jolt to a US economy that had been gliding down toward a [soft landing](#).

**The timing couldn't be worse for retailers**, many of which plan to launch holiday sales in [early October](#) (or, in a few cases, [late September](#)) to offset a likely slowdown in sales the week of the US presidential election.

- While retail sales typically bounce back after [presidential elections](#), there's a distinct possibility that the recovery will take more time this year if the results are not immediately known, if they're disputed, and/or if they lead to significant protests or civil unrest.
- The uncertain landscape has driven retailers such as [Dick's Sporting Goods](#) and [Target](#) to strike a measured approach with their Q4 guidance.

**Our take:** While the White House said it won't intervene in negotiations, that stance could quickly change if a strike shifts from a possibility to a reality.

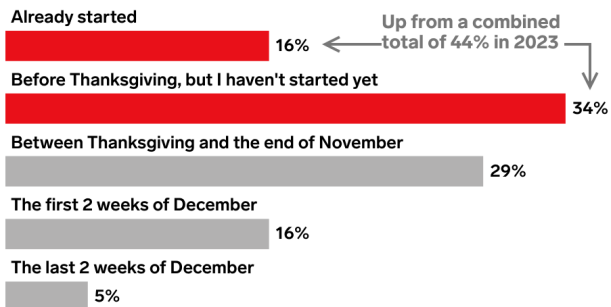
- A similar situation occurred just last month when Canada's government jumped to action hours after the country's [two major railroads locked out workers](#) following their failure to strike labor agreements.
- But there's no guarantee that the labor-friendly Biden administration will follow a similar strategy, which is why **retailers need to operate under the assumption that a strike will take place**.

**Go further:** Read our [US Holiday Shopping 2024](#) report.

## Half of Holiday Shoppers Now Plan to Start Shopping Before Thanksgiving

% of US holiday shoppers, June 2024

Q: When will you begin your holiday shopping?



Note: n=1,963 ages 18+

Source: CivicScience as cited in company blog, June 19, 2024

351363

EM | EMARKETER