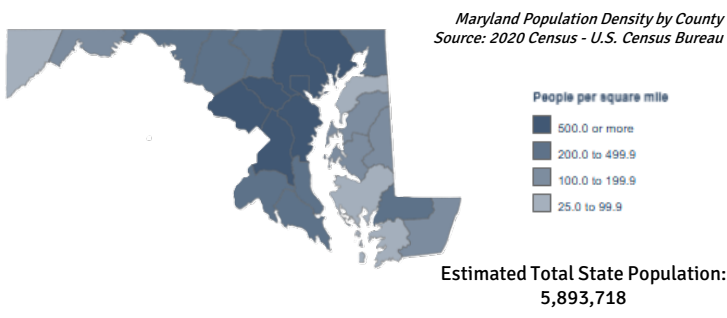




Photo Credit: WBAL News Baltimore

FEDERAL MEDIATION ENDS 64-DAY WORK STOPPAGE AT IKEA DISTRIBUTION CENTER

The Federal Mediation and Conciliation Service (FMCS) assisted IKEA and the International Association of Machinists and Aerospace Workers (IAMAW) in resolving a lengthy labor dispute at the company's Perryville, Maryland distribution center. The bargaining unit of approximately 400 workers had been on strike for 64 days before reaching a tentative agreement on December 31, 2024, ending the work stoppage and establishing a new three-year collective bargaining agreement.



IMPACT, ECONOMIC OPPORTUNITIES & CONSTITUENT BENEFITS



The parties had been attempting to negotiate without success following contract expiration, as tensions grew over wages, benefits, and protections for long-serving employees. When FMCS was invited into the process on November 21, 2024, the Perryville distribution center's 400 workers had already been on strike for several weeks, disrupting operations and straining family incomes. As a key hub in IKEA's East Coast supply chain, the prolonged work stoppage created ripple effects for both the company and the community, underscoring the urgency of reaching a resolution before further economic and logistical impacts set in.

Because IKEA's Perryville distribution center is a major employer in Cecil County and a critical hub in the company's East Coast supply chain, the resolution of this dispute directly impacts both local families and broader commercial operations. FMCS's successful mediation positively affects the more than 782,000¹ residents of Maryland's 1st Congressional District and will:



FMCS was invited into the dispute on November 21, 2024, and conducted five mediation sessions with the parties through the end of December. Mediators employed a variety of strategies, including private sidebar meetings with each party to reduce tensions, explore options, and keep dialogue moving. Direct engagement with union members ensured their concerns were heard and reinforced the value of achieving a settlement that allowed them to return to work with dignity.

- Prevent further disruption at a key hub in IKEA's East Coast supply chain, where the prolonged work stoppage had already created ripple effects for both the company and the local community.
- Help preserve wage gains and seniority protections critical to long-term employee retention.
- Aid in restoring stability for 400 local workers and their families.
- Supports economic stability in Cecil County, Maryland where IKEA is one of the region's key employers.



In addition to settling the immediate conflict, both sides committed to building a more collaborative relationship. With FMCS support, they agreed to establish a Labor-Management Committee (LMC) to address issues proactively and rebuild trust moving forward. This long-term mechanism strengthens workplace stability and helps mitigate the risk of future disputes.

Source: ¹U.S. Census 2023 American Community Survey