GLOBAL SUPPLY CHAIN ISSUES CONTINUE TO IMPACT MANY PRODUCT CATEGORIES

PLAN YOUR PURCHASES WELL IN ADVANCE!!!

As many of you know, global supply chain issues continue to affect many industries worldwide and directly impacts us at UT Arlington. Below is a summary of some of the key factors hampering product manufacturing and delivery. The bottom line is this: lead times have greatly increased across most business sectors. Therefore, please plan your purchases months in advance rather than weeks. Unfortunately, most experts predict these problems will persist well into 2022.

In addition to the general delays on plastics, glassware, and products with microchips, we see newly extended delays with solvents and, therefore, many delays on products that use solvents in their manufacturing processes.

Semiconductor chip shortage

- The semiconductor chip shortage will continue to impact any industry that utilizes computer chips in their products, not just limited to computers. This crosses all equipment sectors.

Ongoing global COVID-19 outbreaks continue to disrupt product and supply chain operations

- Manufacturing operations in India and Malaysia remain curbed by the impact of this spring’s COVID-19 outbreak on labor forces and minimized access to essential manufacturing materials, which has greatly reduced the availability of many items.
- China’s zero-tolerance COVID-19 policy has resulted in a string of coastal port closures since May. Some shipping lines are diverting their vessels to other ports instead of anchoring-in-place to wait out the closures. Ships that divert are contributing to already back-logged operations at other ports. Goods and materials on idled ships waiting out the closures will be sitting for an unknown period of time.

COVID-related factors continue to constrain raw material availability

- Many scientific and medical equipment suppliers have again been instructed to divert their supplies to COVID vaccine and PPE production, resulting in a global supply strain on non-COVID items.

Shipping container shortages are adding to global supply chain disruptions

- Globally, shipping containers carrying both raw materials and finished goods are still sitting in gridlocked ports and unable to deliver their cargo. Because those full containers are at a standstill, they are unavailable for shipping companies to fill with goods that are in the ready-to-ship pipeline. This shortage has driven up the cost of available containers by 94% since November 2020, which limits container access for some companies. The shortage is expected to be a persistent factor contributing to the global supply chain disruption and increased shipping costs for the foreseeable future.

Persistent back-log from Q1 Texas / Gulf Coast storms

- The global supply chain of raw materials used to produce everything from face shields to smartphones remains disrupted. The unprecedented winter weather in Texas damaged the
world’s largest petrochemical complex’s infrastructure and operations. Plant operational ramp-ups have been slowed by regulations that ensure safe Chemical production and the sluggish pace of plants’ infrastructure repairs. Some downstream facilities are still impacted as they await the completion of freeze-related infrastructure repairs.