**What's with all our supply chain issues?**

**When will the bottle necks be relieved so that we can have all the things we needed like before.**

Our supply chain problems are angering everyone, and we are told that these bottlenecks will not go away quickly.

So why are we having bottlenecks in the distributions of some many things we all need.

The Pandemic is one reason why goods shipped to our ports are stuck and not unloaded to trucks for distribution to our warehouses and stores. The major puzzling issue is lack of manpower, despite the story that we are told that there are lots of jobs nationwide. Our unemployed people do not want to work at ports unloading crates of merchandise, and there are not enough truck drivers to pick and transport the tons of products stuck in our major harbors to local warehouses and our stores. We are told that there are also a shortage of truck trailers to attach to many trucks. At destination, there is a shortage of warehouse workers to unload the truck loads of products which need to be sorted and shelved in our stores.

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**Sources:**

**Why are continuing having problems with supply chain?**

**Our ports are clogged up due to worker shortages.**

**By Peter S. Goodman, Feb. 1, 2022Updated 4:29 p.m. ET**

With the havoc at ports showing no signs of abating and prices for a vast array of goods still rising, the world is absorbing a troubling realization: Time alone will not solve the Great Supply Chain Disruption.

It will require investment, technology and a refashioning of the incentives at play across global business. It will take more ships, additional warehouses and an influx of truck drivers, none of which can be conjured quickly or cheaply. Many months, and perhaps years, are likely to transpire before the chaos subsides.

“It’s unlikely to happen in 2022,” said Phil Levy, chief economist at Flexport, a freight forwarding company based in San Francisco. “My crystal ball gets murky further out.”

For those who keep tabs on the global supply chain, the very concept of a return to normalcy has given way to a begrudging acceptance that a new normal may be unfolding.

Cheap and reliable shipping may no longer be taken as a given, forcing manufacturers to move production closer to customers. After decades of reliance on lean warehouses and online systems that monitor inventory and summon goods as needed — a boon to shareholders — manufacturers may revert to a more prudent focus on extra capacity.

The deepening understanding that the supply chain crisis has staying power poses a daunting challenge to policymakers.

Mayhem at factories, ports and shipping yards, combined with the market dominance of major companies, is a key driver for rising prices. Spooked by the highest rates of inflation in decades, the Federal Reserve has resolved to tighten credit, while the Bank of England and other central banks have already lifted interest rates, sowing alarm in stock markets from New York to Tokyo.

A warehouse under construction in Pennsylvania last May. The supply chain crunch has made storage space a premium.

ImageA warehouse under construction in Pennsylvania last May. The supply chain crunch has made storage space a premium.

A warehouse under construction in Pennsylvania last May. The supply chain crunch has made storage space a premium.Credit...Erin Schaff/The New York Times

Public anger over rising consumer prices — especially for food and fuel — helps explain why Democrats may be in danger of losing control of Congress.

Record beef prices, along with rising costs for pork and poultry, have prompted the Biden administration to pursue the prospect of antitrust enforcement against the four companies that dominate the American meat supply.

Understand the Supply Chain Crisis

The Origins of the Crisis: The pandemic created worldwide economic turmoil. We broke down how it happened.

Explaining the Shortages: Why is this happening? When will it end? Here are some answers to your questions.

A New Normal?: The chaos at ports, warehouses and retailers will probably persist through 2022, and perhaps even longer.

A Key Factor in Inflation: In the U.S., inflation is hitting its highest level in decades. Supply chain issues play a big role.

But whatever the politicians and central bankers unleash in the name of taming inflation, businesses continue to struggle to manufacture and distribute their products.

Whirlpool recently warned that customers who purchased its washing machines, refrigerators and other household appliances would continue to experience delays as the company contended with supply chain problems.

Even as Tesla last week announced record profits amid overwhelming demand for its electric cars, the company said sales would be hurt by difficulties in the supply chain — not least due to continued shortages of computer chips.

The chip shortage has limited the production of cars worldwide, while stymying makers of medical devices and a vast range of electronic gadgets. The U.S. commerce secretary, Gina M. Raimondo, recently described persistent chip shortages as an “alarming” threat to American industry.

The International Monetary Fund last week cited supply chain woes among other factors as it downgraded its forecast for global economic growth for 2022 to 4.4 percent from 4.9 percent.

The breadth and persistence of supply chain troubles in part result from how the coronavirus pandemic has accelerated trends that have been unfolding for decades, especially the growth of e-commerce.

A chip factory in China. The shortage of chips has affected all aspects of production, including the production of cars and medical devices.

Whereas major brands traditionally ship goods from factories around the world to central warehouses that supply retail outlets, e-commerce demands a far more complicated endeavor: Retailers must deliver individual orders to homes and businesses.

As warehouses have been swamped by goods, major retailers have added capacity at a breakneck pace. Amazon spent more than $164 million to construct new warehouse space last year, while Lowe’s, the home improvement retailer, spent more than $17 million, according to Reonomy, a commercial real estate data provider.

Warehouses are stuffed to the rafters in the places with the most demand — those near the largest metropolitan areas.

As of late last year, warehouses in the Inland Empire region of Southern California had vacancy rates of less than 1 percent, according to CBRE Group, a commercial real estate services and investment company. Those in northern New Jersey had vacancy rates of only 2.4 percent.

“The basic physics of land scarcity matters quite a bit,” said Chris Caton, managing director of global strategy and analytics at Prologis, a real estate investment trust focused on warehouses. “If you look at Southern California, you look at the greater New York-New Jersey area, there’s just no more land in the most sought-after locations.”

The tightness in warehouses helps explain why American ports remain seized by dysfunction, especially the busiest one, the complex of terminals at Los Angeles and Long Beach. With limited room to stash goods offloaded from inbound vessels, containers have piled up on docks uncollected. That has prompted port overseers to force ships to float offshore for days and even weeks before they can unload.

Over the last three months, container ships unloading goods have remained at American ports for seven days on average, an increase of 4 percent compared with all of 2021 and 21 percent higher than at the start of the pandemic, according to FourKites, a supply chain consultancy based in Chicago.

As ports work through the backlog, they are contending with structural problems — aging and overtaxed infrastructure, a shortage of chassis used to haul containers with trucks, and not enough drivers, even as trucking companies increase pay.

Shipping companies are hobbled by outmoded technology that has limited their ability to anticipate and plan around problems.

The rising cost of fuel risks stoking public anger, which some political analysts believe could cost Democrats seats in the midterm elections.

“Those systemic problems in the supply chains, this has been building for years,” said Steve Dowse, senior vice president and general manager for international solutions at FourKites. “The pandemic has really just highlighted the fragility of our supply chains.”

Even as companies confront the supply chain upheaval, the costs and complexity of solving their troubles may dissuade executives from taking effective action.

How the Supply Chain Crisis Unfolded

The pandemic sparked the problem. The highly intricate and interconnected global supply chain is in upheaval. Much of the crisis can be traced to the outbreak of Covid-19, which triggered an economic slowdown, mass layoffs and a halt to production. Here’s what happened next:

A reduction in shipping. With fewer goods being made and fewer people with paychecks to spend at the start of the pandemic, manufacturers and shipping companies assumed that demand would drop sharply. But that proved to be a mistake, as demand for some items would surge.

Demand for protective gear spiked. In early 2020, the entire planet suddenly needed surgical masks and gowns. Most of these goods were made in China. As Chinese factories ramped up production, cargo vessels began delivering gear around the globe.

Then, a shipping container shortage. Shipping containers piled up in many parts of the world after they were emptied. The result was a shortage of containers in the one country that needed them the most: China, where factories would begin pumping out goods in record volumes

Demand for durable goods increased. The pandemic shifted Americans’ spending from eating out and attending events to office furniture, electronics and kitchen appliances – mostly purchased online. The spending was also encouraged by government stimulus programs.

Strained supply chains. Factory goods swiftly overwhelmed U.S. ports. Swelling orders further outstripped the availability of shipping containers, and the cost of shipping a container from Shanghai to Los Angeles skyrocketed tenfold.

Labor shortages. Businesses across the economy, meanwhile, struggled to hire workers, including the truck drivers needed to haul cargo to warehouses. Even as employers resorted to lifting wages, labor shortages persisted, worsening the scarcity of goods.

Component shortages. Shortages of one thing turned into shortages of others. A dearth of computer chips, for example, forced major automakers to slash production, while even delaying the manufacture of medical devices.

A lasting problem. Businesses and consumers reacted to shortages by ordering earlier and extra, especially ahead of the holidays, but that has placed more strain on the system. These issues are a key factor in rising inflation and are likely to last through 2022 — if not longer.

In a recent survey of over 3,000 chief executives conducted by the consulting firm Alix Partners, fewer than half said they were taking longer-term action to alleviate supply chain challenges, while a majority said they were relying on short-term measures. Regardless of their approach, more than three-fourths of chief executives were skeptical that their plans would prove effective.

The supply chain problems have endured despite much talk that they would prove a largely momentary phenomenon resulting from the pandemic.

In the initial months of the spread of Covid-19 — as markets plunged and American businesses laid off workers — manufacturers slashed orders for a vast array of goods on the assumption that health fears, lockdowns and diminished paychecks would limit demand for their wares.

Using the same logic, computer chip manufacturers cut production. Global shipping companies reduced service.

That calculus proved disastrously wrong.

The pandemic did not eliminate spending so much as shift it around. People stopped going to restaurants, sporting events and amusement parks, while directing their dollars to outfitting their homes for life under lockdown. They added treadmills to their basements, desk chairs to their bedroom offices and video game consoles to their living rooms.

Many of these goods were made in China. And the surge of demand swamped the availability of shipping containers at ports in Asia, delaying transport.

Containers stacked high at the Port of Los Angeles in San Pedro in October, just after the port experienced its busiest September ever, leading to congestion.

As ships arrived at ports from Los Angeles to Savannah, Ga., they carried more cargo than dockworkers and truck drivers could handle. Stacks of uncollected containers towered like monuments to globalization gone awry.

Shipping companies have expanded their fleets, but the impact has been canceled out by the number of vessels marooned off ports.

“A ship that’s queued up is not a ship that’s moving stuff back and forth across the ocean,” Mr. Levy, the Flexport chief economist, said. “It’s a floating warehouse.”

Many economists assumed that after a few months, Americans would exhaust their demand for products, allowing the supply chain to catch up. As vaccines reached the bloodstream and the pandemic loosened its grip on many parts of the world, it was thought that consumers would stop buying stand mixers and return to restaurants.

This shift has yet to happen meaningfully — a seeming testament to the economic impact of Covid-19 variants like Delta and Omicron, which have led many to return to social isolation.

The biggest uncertainty centers on what happens next.

Once a household spends several thousand dollars to outfit an exercise room in the basement, its occupants may not return to their old gym after the pandemic ends. Rather than shell out for a gym membership, they may opt to invest in additional gear at home, adding more weights or an elliptical.

As white-collar professionals begin a third year in their home offices, attending video conferences in sweatpants, how many will jump at the chance to again don business attire? And what does that mean for retailers that sell such clothing?

These are merely some of the variables at play as businesses try to divine the future. The dearth of solid information may dissuade investments — in trucking, in shipping, in warehouses, in technology — that might ease the supply chain upheaval.

“All of these head-scratching puzzles, these are really difficult,” Mr. Levy said. “Everybody is wary of getting caught out.”

[**https://www.nytimes.com/2022/02/01/business/supply-chain-disruption.html?referringSource=articleShare**](https://www.nytimes.com/2022/02/01/business/supply-chain-disruption.html?referringSource=articleShare)

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**A Normal Supply Chain? It’s ‘Unlikely’ in 2022.**

***The chaos at ports, warehouses and retailers will probably persist through the year, and perhaps even longer.***

**Port Congestion in U.S. Spreads**

**Port congestion is spreading across the country, threatening to extend shipping delays and drive up costs for importers seeking to get around the bottlenecks at Southern California’s big gateway complex.**

**Container ships are backing up off coastlines from Oakland, Calif., to Charleston, S.C., because of a record flow of boxes into and out of the country combined with worker shortages triggered by Covid-19’s fast-spreading Omicron variant.**

“It’s supremely frustrating to be an importer right now,” said Nathan Strang, director of ocean trade lane management at Flexport Inc., a San Francisco freight forwarder. “Everybody wants to find a relief valve and all of the relief valves have been plugged.”

**Ship backups that plagued U.S. ports throughout the pandemic have been mainly concentrated along the West Coast.** Niels Madsen, a vice president of operations at Denmark- based Sea-Intelligence ApS , said **a rise in backups at East Coast ports suggests congestion is worsening there.**

The average wait time for a berth at the busiest East Coast gateway, the Port of New York and New Jersey, extended to 4.2 days last week, according to the port’s data, up from 1.6 days last January. At the Port of Charleston on Thursday, a backup of 19 container ships was waiting offshore for a berth.

**New Jersey port officials say its congestion is being caused, in part, by Covid-19-related worker absences. Charleston officials say their backup is mainly due to a surge of imports that clogged terminals**.

The number of containers waiting more than 15 days for pickup at Charleston, the country’s eighth-largest gateway for container imports, exceeded 7,000 last week, a rise of 40% compared with a month earlier, according to supply-chain analytics firm project44. Charleston officials say it could take six weeks to clear the backlog.

Georgia’s Port of Savannah said this month it cleared a backlog that had grown to more than 20 vessels late last year. The port opened new container storage sites, including temporary facilities, said Griff Lynch, executive director of the Georgia Ports Authority, which operates the Savannah port.

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