



NEWS



Global supply chains buckle as virus variant and disasters strike

A number of recent events such as a new worldwide wave of COVID-19, natural disasters in China and Germany, a cyber attack targeting key South African ports have conspired to drive global supply chains towards breaking point, threatening the fragile flow of raw materials, parts and consumer goods, according to companies, economists and shipping specialists.

The Delta variant of the coronavirus has devastated parts of Asia and prompted many nations to cut off land access for sailors. That's left captains unable to rotate weary crews and about 100,000 seafarers stranded at sea beyond their stints in a flashback to 2020 and the height of lockdowns.

Vessel capacity is very tight, empty containers are scarce and the operational situation at certain ports and terminals is not really improving. Meanwhile, deadly floods in economic giants China and Germany have further ruptured global supply lines that had yet to recover from the first wave of the pandemic, compromising trillions of dollars of economic activity that rely on them.

In Germany, road transportation of goods has slowed significantly. In the week of July 11, as the disaster unfolded, the volume of late shipments rose by 15% from the week before, according to data from supply-chain tracking platform FourKites.

Ports across the globe are suffering the kinds of logjams not seen in decades, according to industry players. The China Port and Harbour Association said on Wednesday that freight capacity continued to be tight. A cyber attack hit South African container ports in Cape Town and Durban this week, adding further disruptions at the terminals.

Global vaccinations of seafarers are going too slowly to prevent outbreaks on ships from causing more trade disruptions, endangering maritime workers and potentially slowing economies trying to pull out of pandemic slowdowns.

For parts of the world where they are aiming to eliminate Covid, loopholes including maritime workers at container ports, are opportunities for the virus to break through,. They have to eliminate the risk coming off container ships. And if the risk to seafarers isn't eliminated, then further port shutdowns and global supply disruptions are expected to be continued...

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