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Market Intelligence

Impacts of COVID-19 on International Supply Chains

Indicators of Supply Chain Conditions

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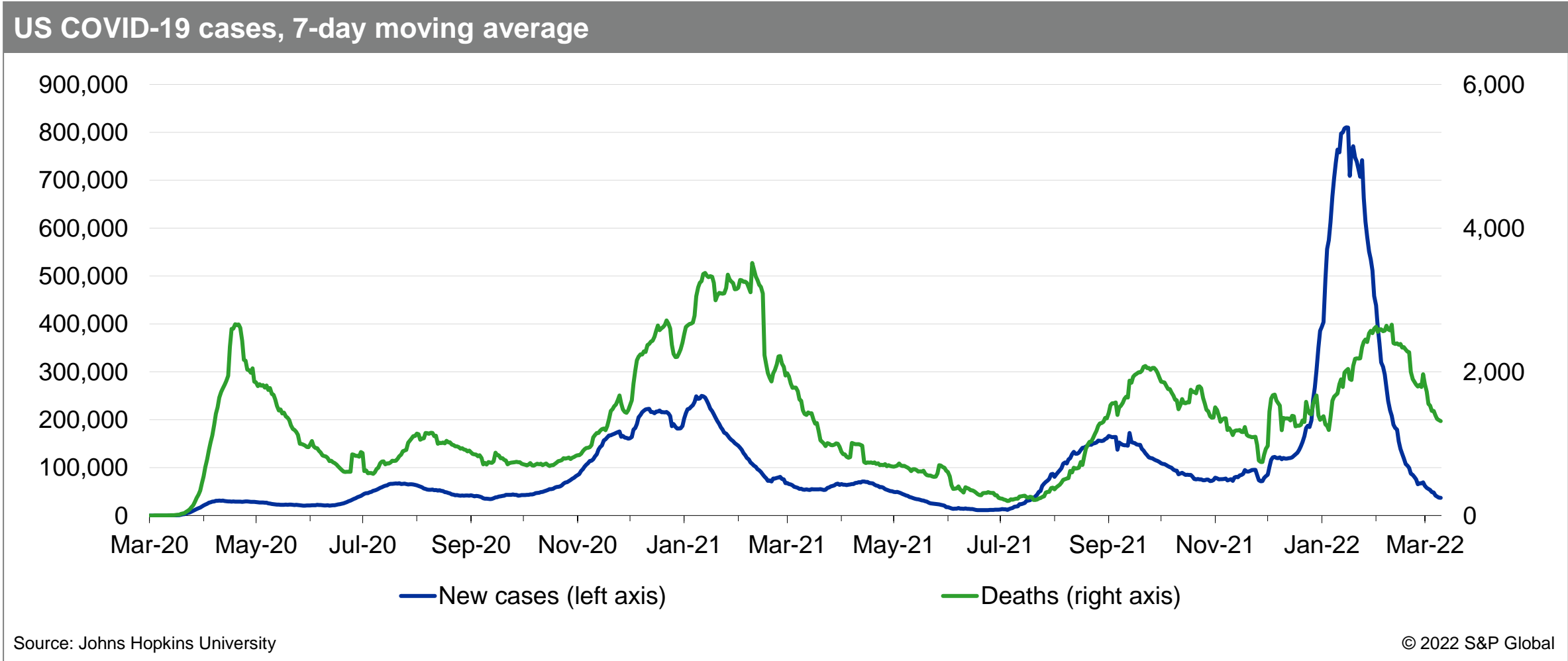
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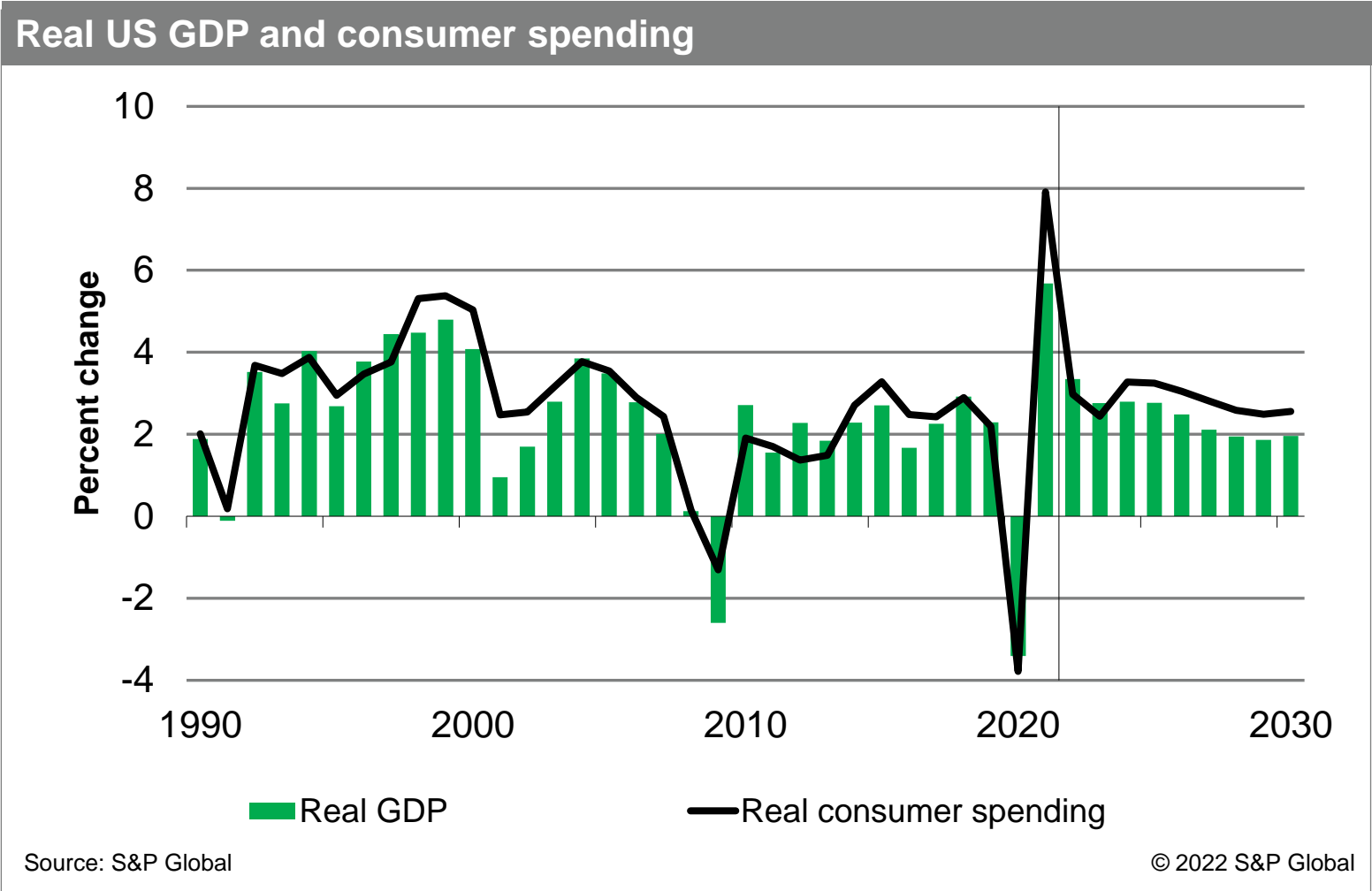
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Background for the US Economy under COVID-19: Activity restrictions under the initial wave and variant waves affected economic activity and buying behavior

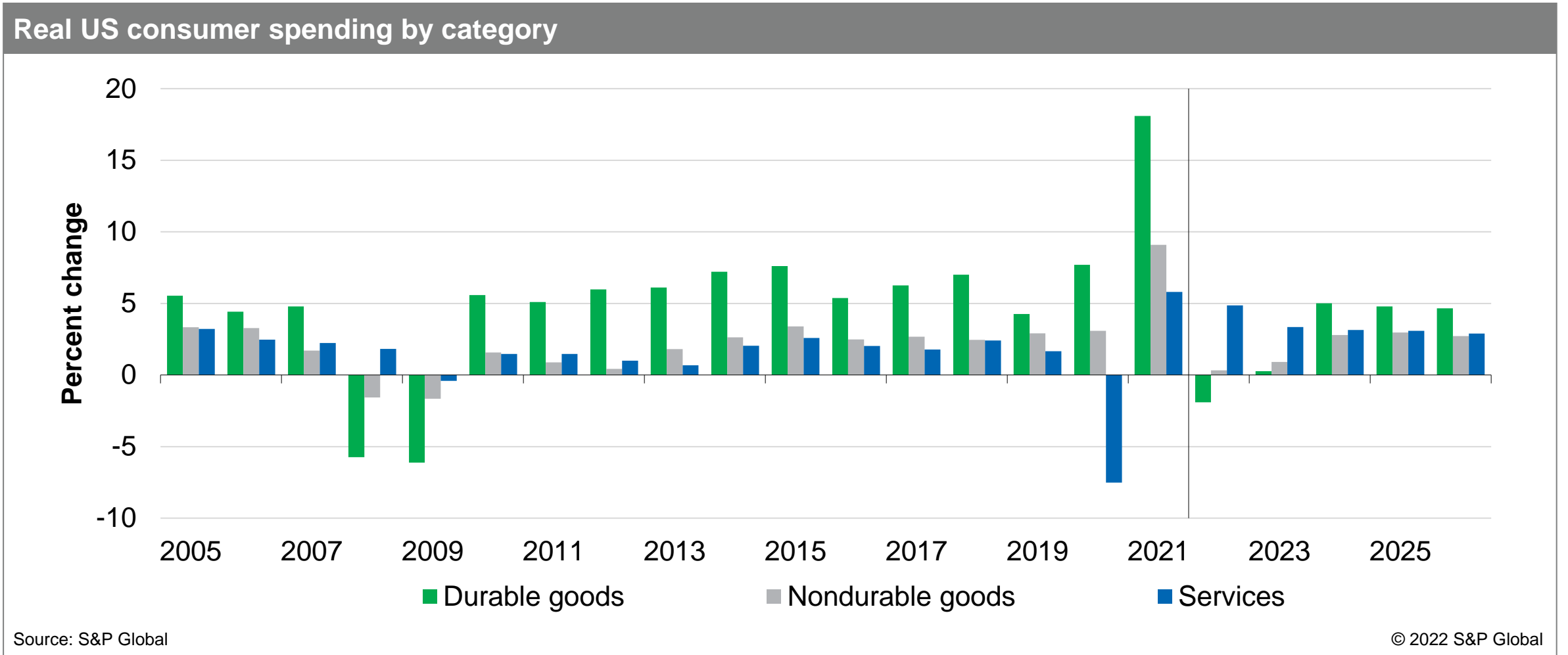


After May 2020, stimulated consumer spending drove the pandemic business cycle



US consumer spending: Durable goods up 18%; services down 7.5% in 2021

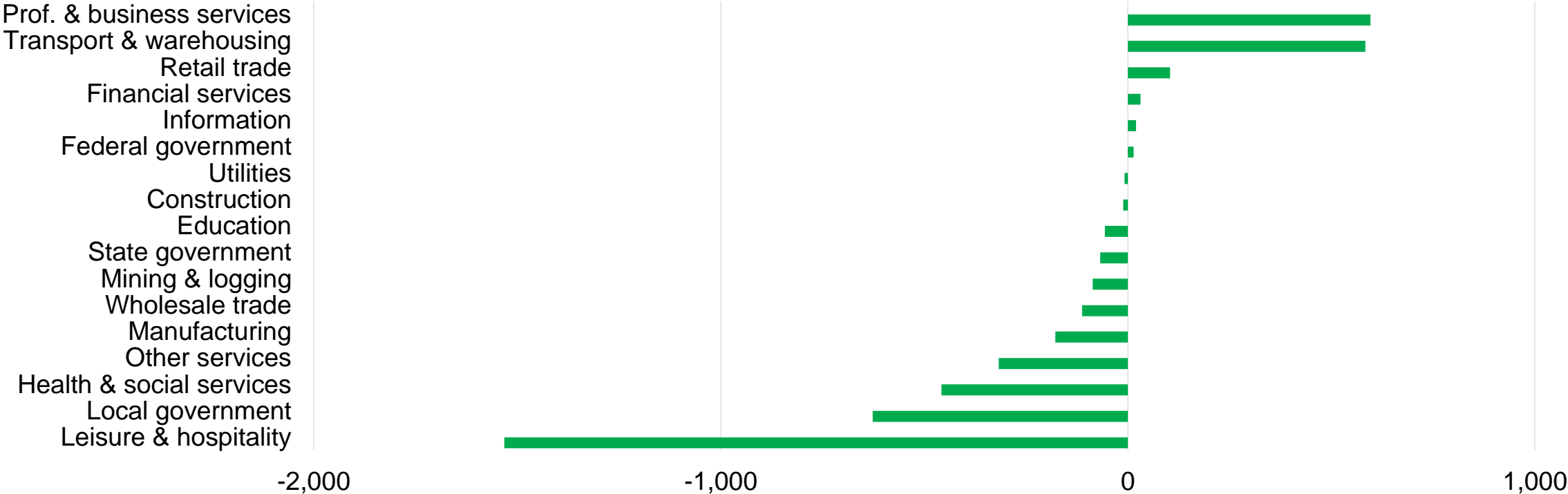
Supply chains were not prepared for this



COVID impacts on industry sector employment very uneven, with most still down

Transport & warehousing #2 sector for job growth, despite worker shortages

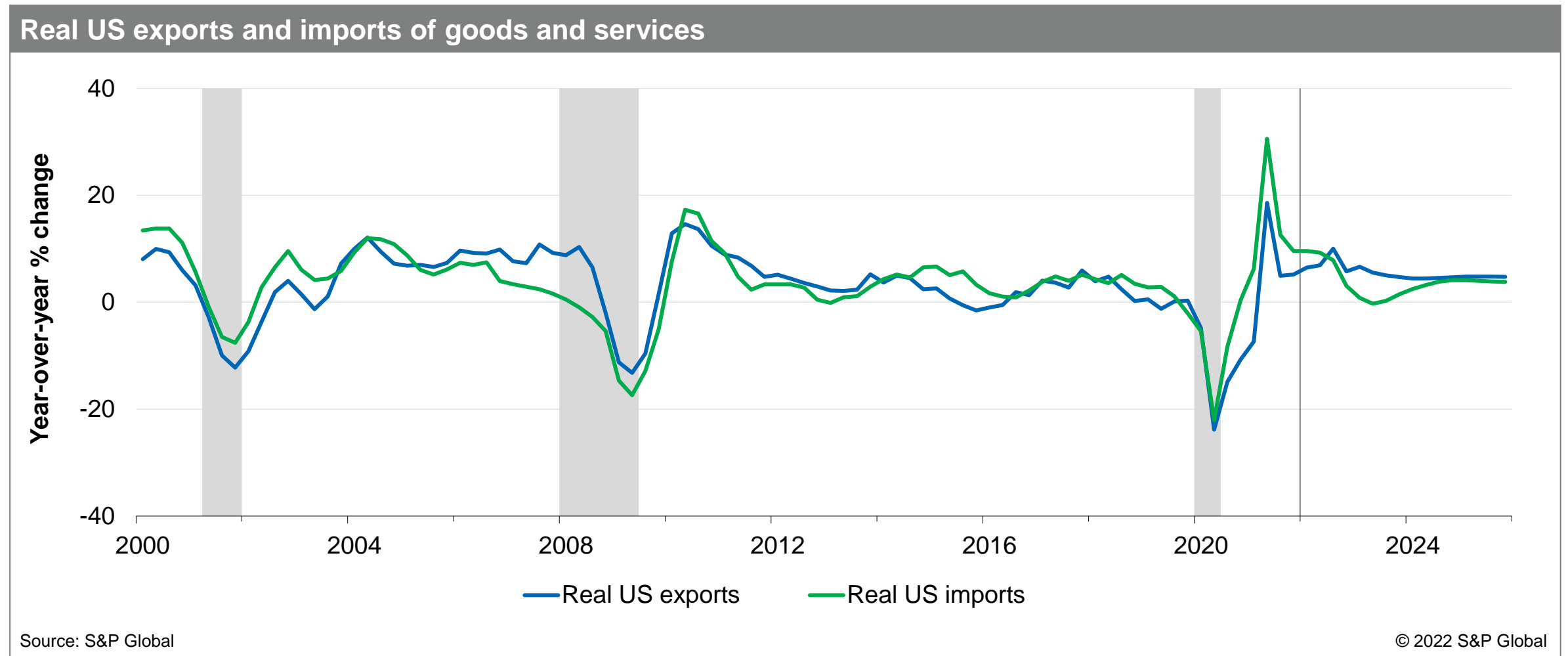
US payroll employment by sector, compared to the pre-pandemic peak, thousands (Feb. 2022)



Source: BLS

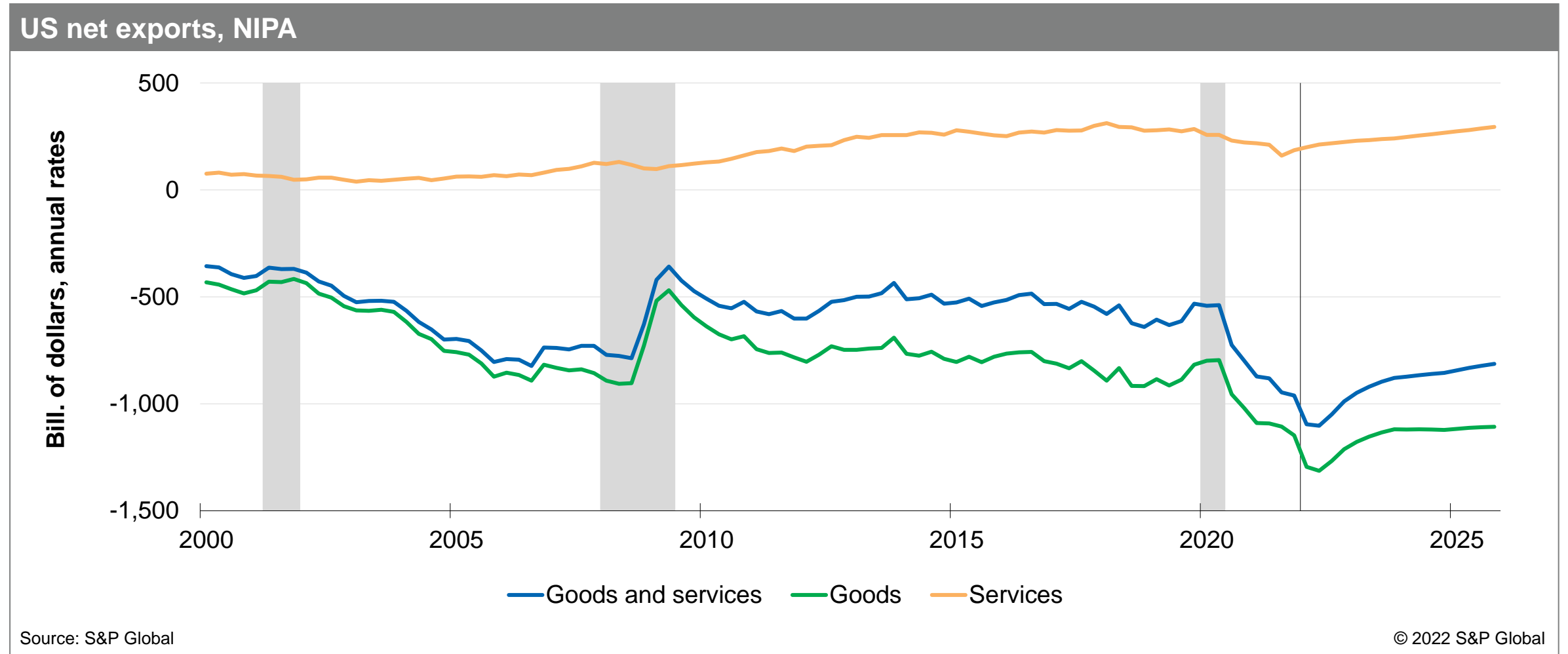
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After 2020 recession drop in U.S. trade, imports and exports rebounded strongly
Import demand recovered faster and at a higher level than exports through 2021



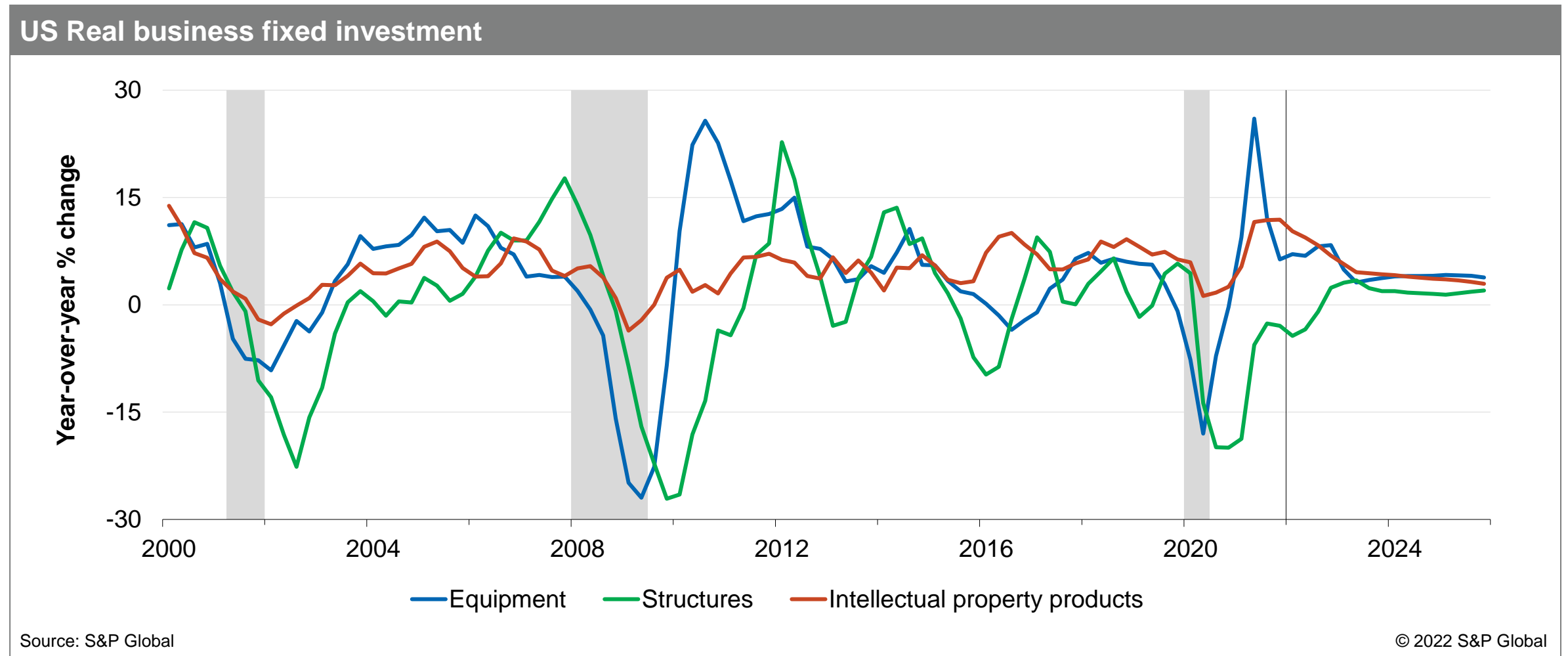
US goods trade imbalance worsened through 2021

More pressure on transportation networks the greater the imbalance in trade

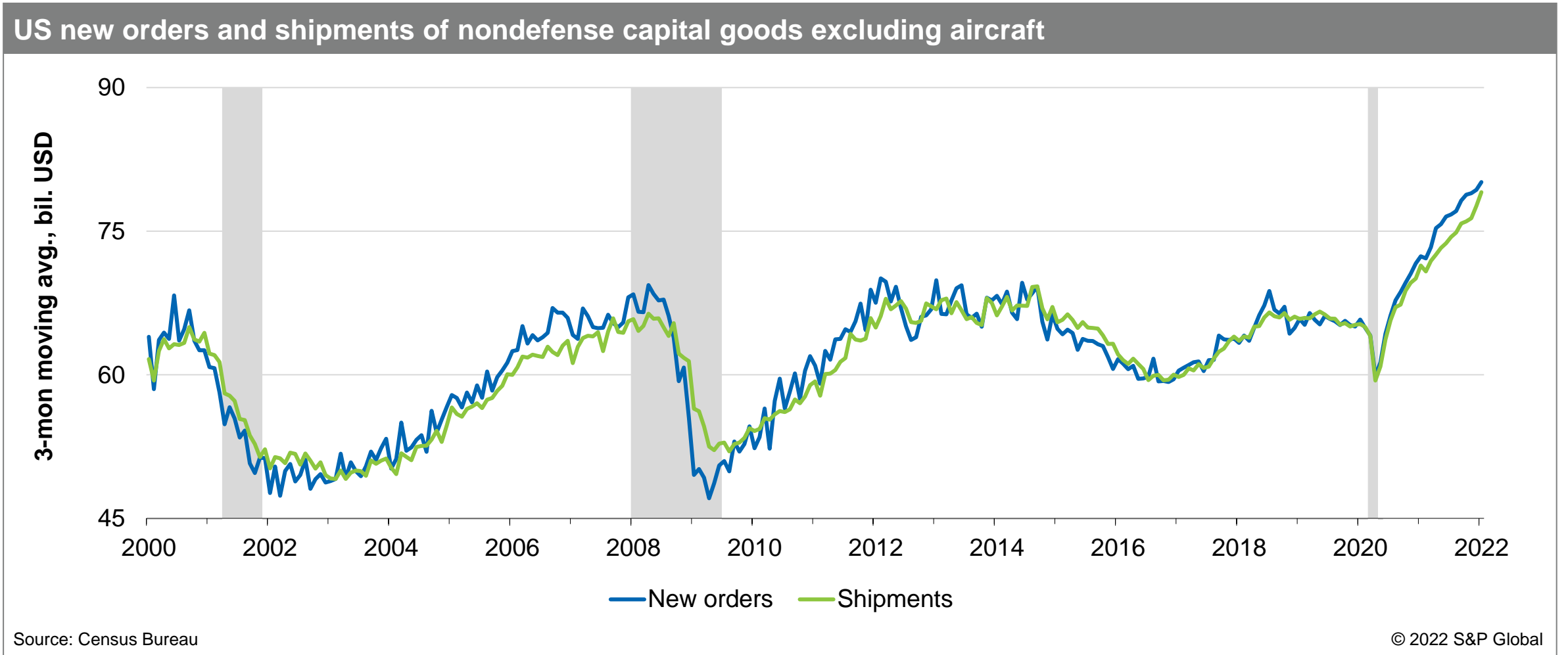


U.S. businesses contributed to import goods demand pressure under COVID-19

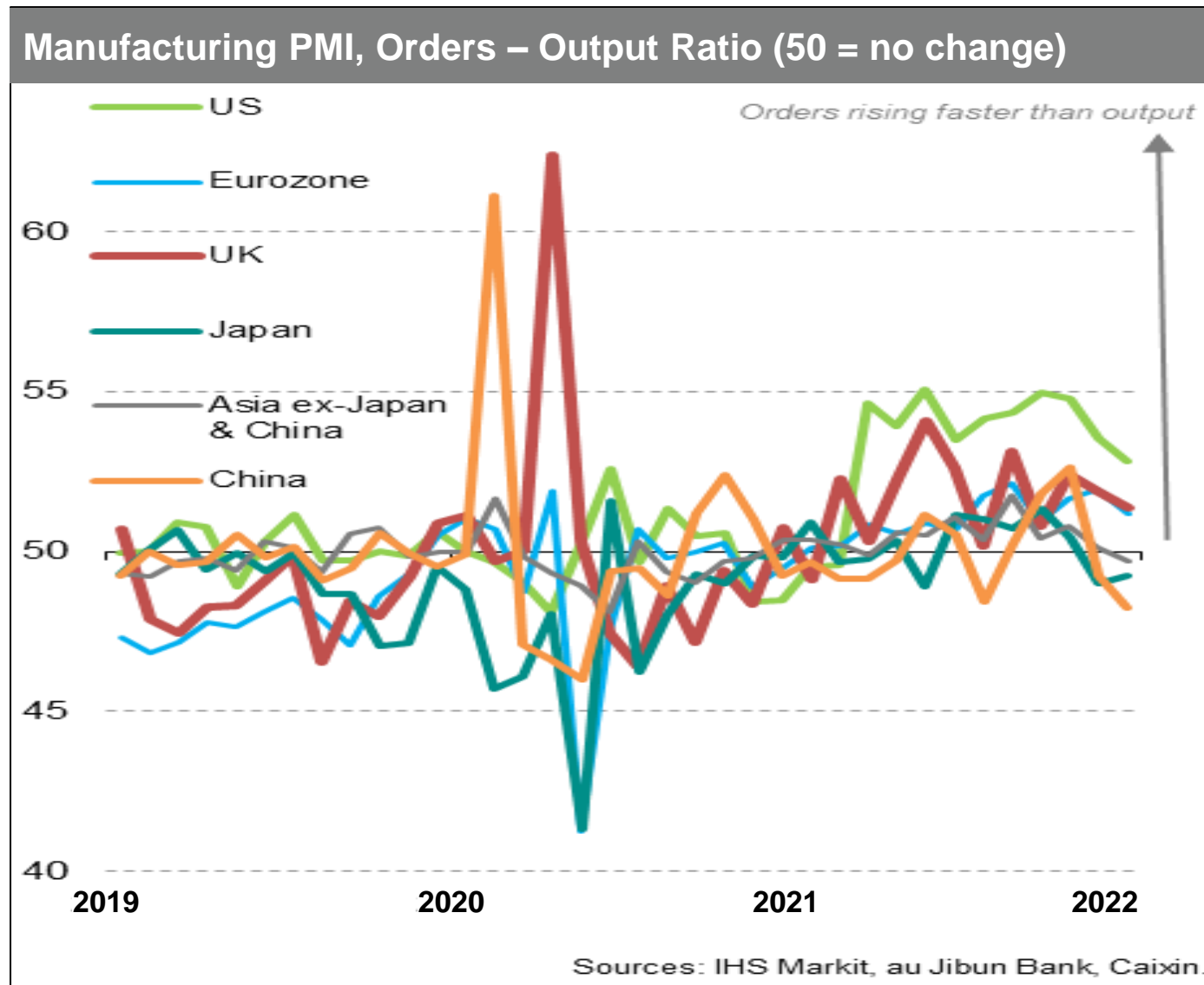
More equipment investment purchases and fewer structures investments in 2021



Durable goods orders dropped initially in 2020; Reached record highs in 2021 New orders outpaced shipments in 2021 as production and deliveries lagged

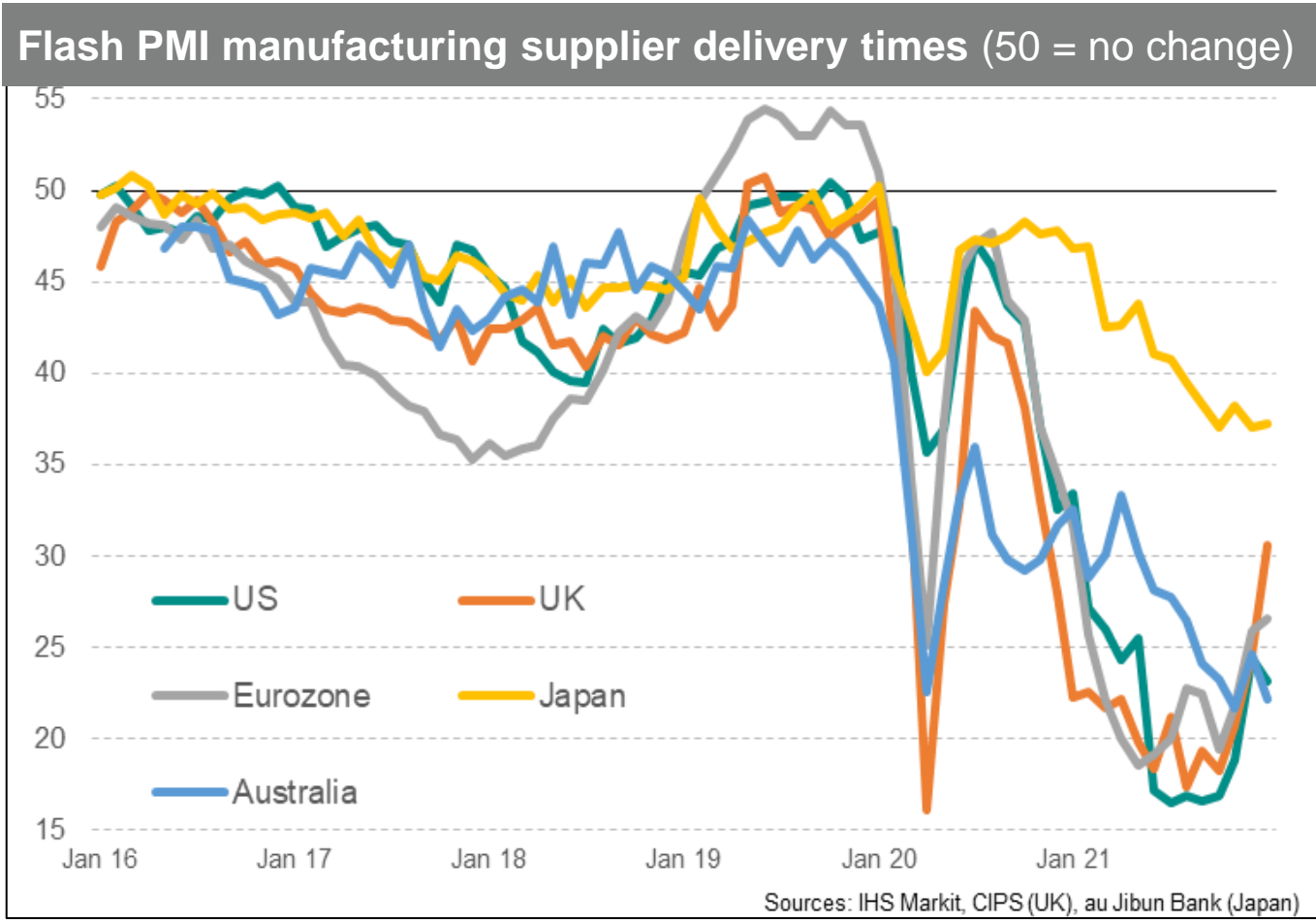


Manufacturing fell behind on filling orders early in 2020; then again in 2021



Global PMI manufacturing supply chain delivery times down in 2021

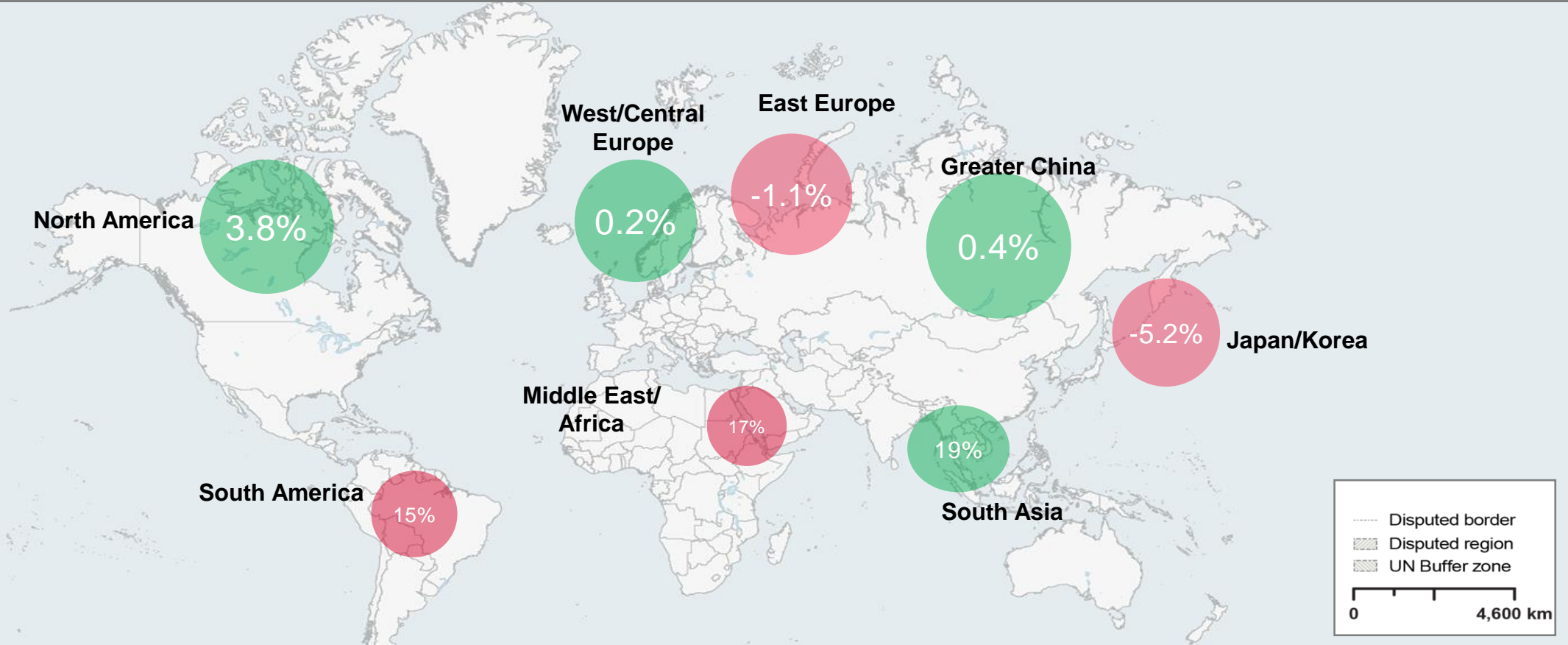
Initial COVID supply chain delays saw recovery in 2H 2020; sustained delays and price hikes



Global Auto Sales Up Only 3.5% in 2021 Despite Strong Demand After 2020

Auto Sales Rebound Constrained by Production Limits Lingering from COVID Crisis

2021 Light Vehicle Sales (annual percent change by region)

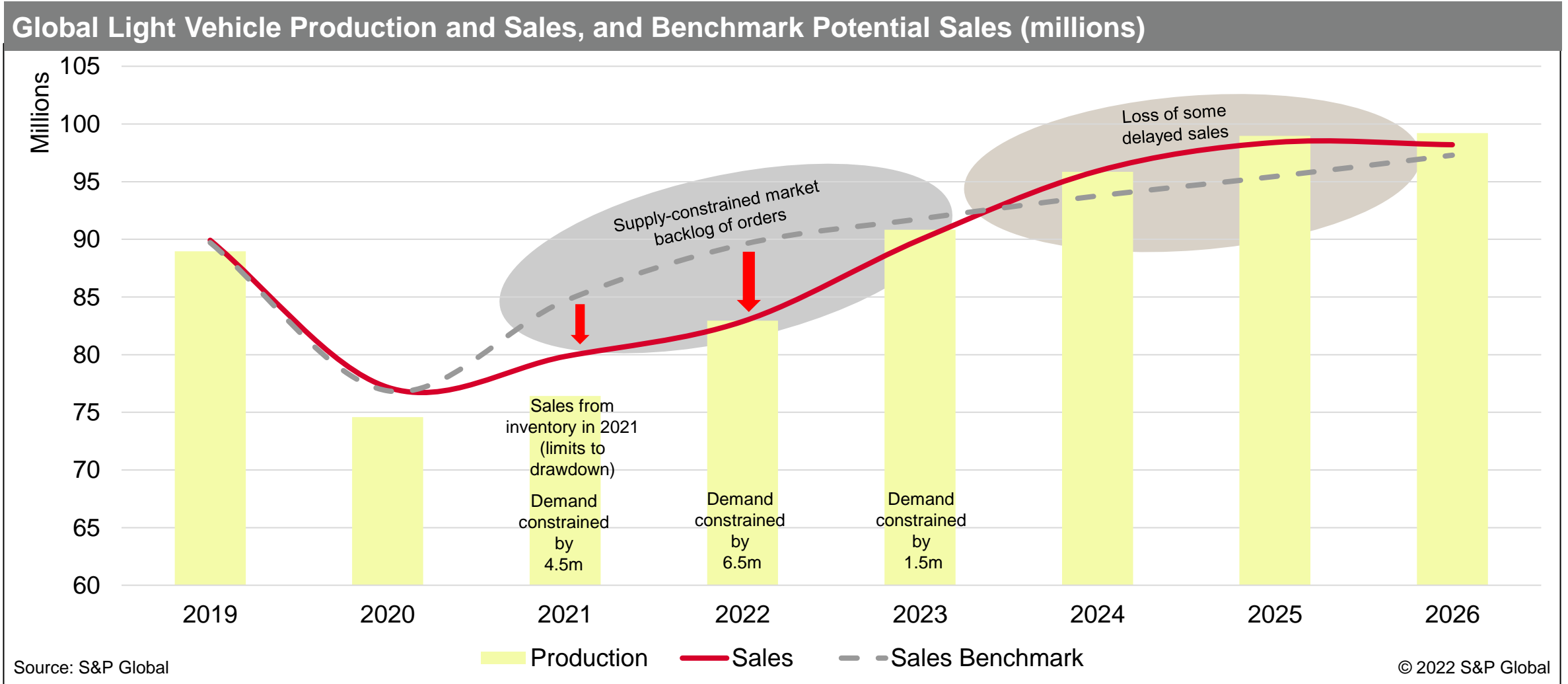


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COVID Supply Constraints Led to Unsatisfied Autos Demand

Shortages of 2021-2022 drive global autos growth once chip supply chain recovery achieved



COVID Impacts on Supply Chains

Thank You

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