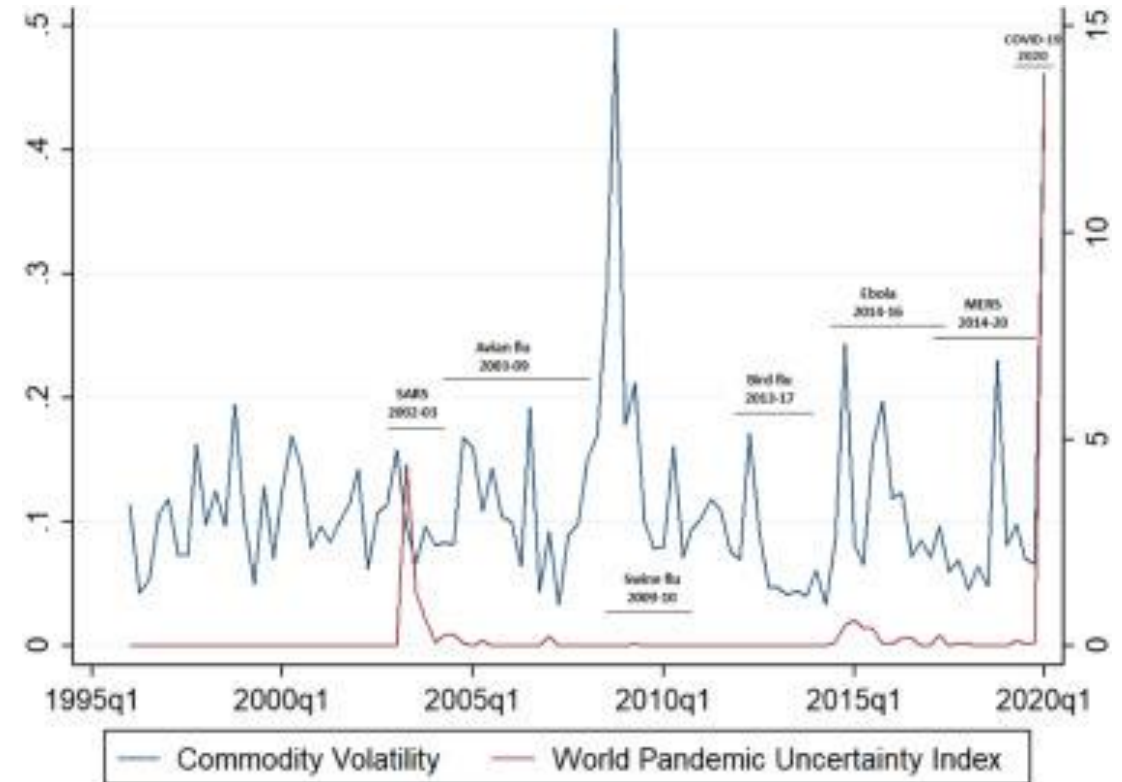


**SUPPLY  
CHAIN  
SPECIAL  
REPORTS**

# **COVID-19 - The Omicron Variant**

# Agenda

- Introducing SC Special Reports
- Covid-19 Updates: From 2020 – Now
  - The Omicron Variant Disruptions
- Updates Global Supply Chain
- Effects Across Asia
  - Effects Across Commodities
- Ways to Protect Yourself



# Our Guest Speakers



Shahzaib Khan | Senior Director of Product

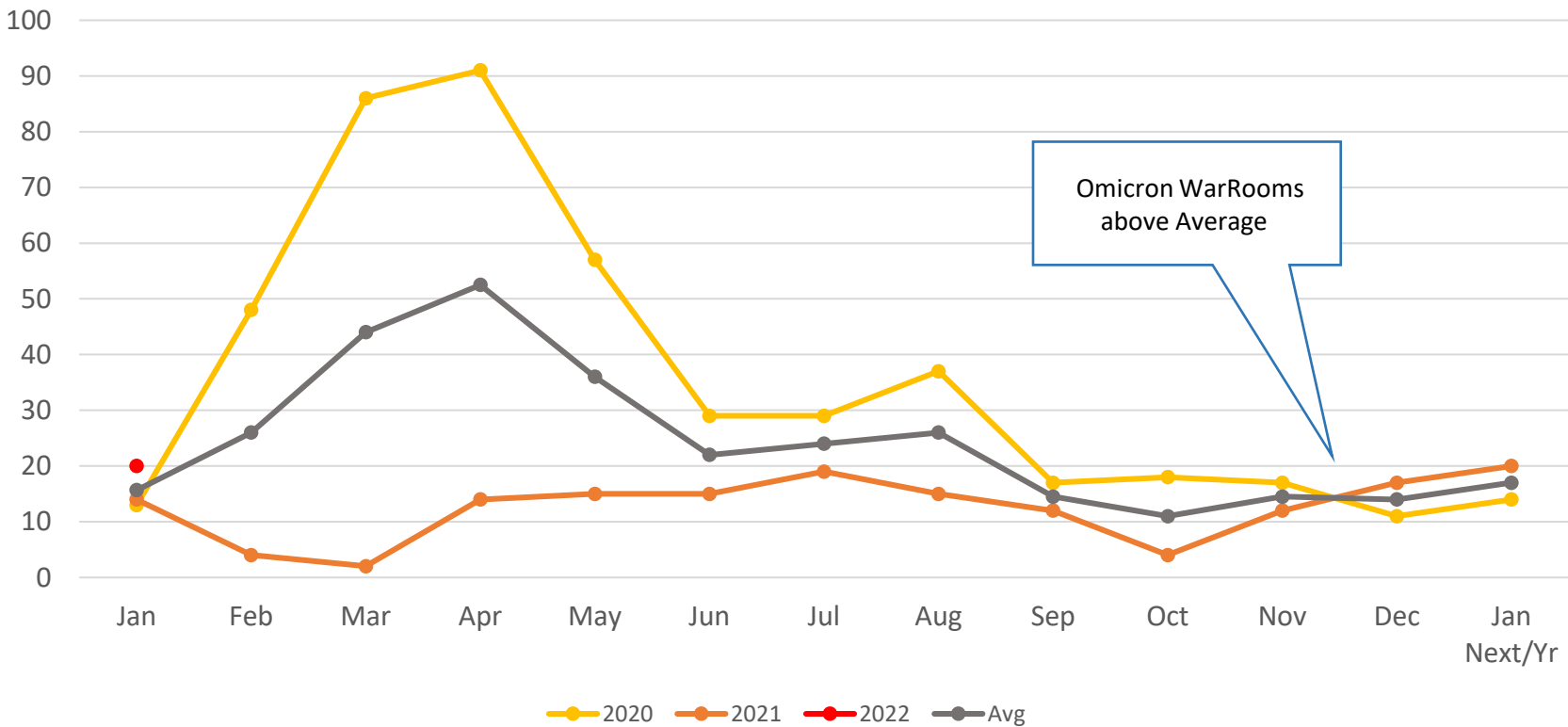


Jigar Shah | Vice President of Marketing

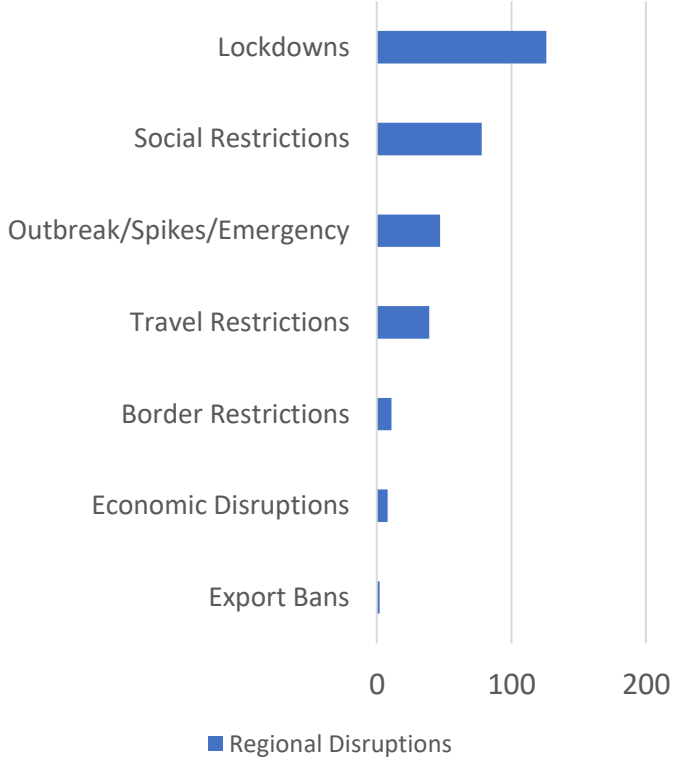
# Covid Disruptions Continue...

COVID-19 WarRooms (2020 VS 2021 VS 2022)

Covid-19 Disruptions



2021 Regional Disruptions



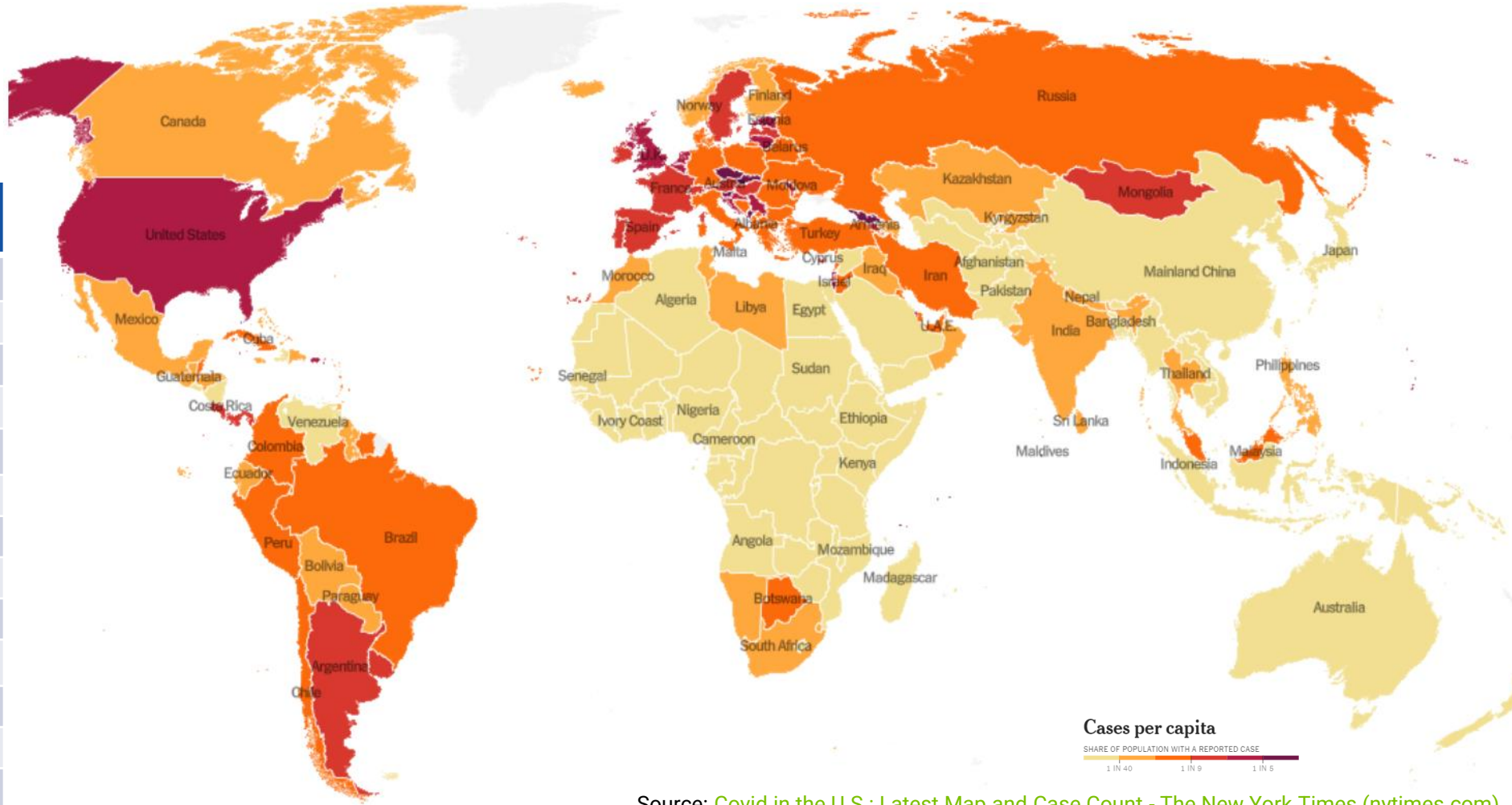


# Omicron Variant – Supplier Analysis

## QUICK SNAPSHOT

### Suppliers and Parts at Risk

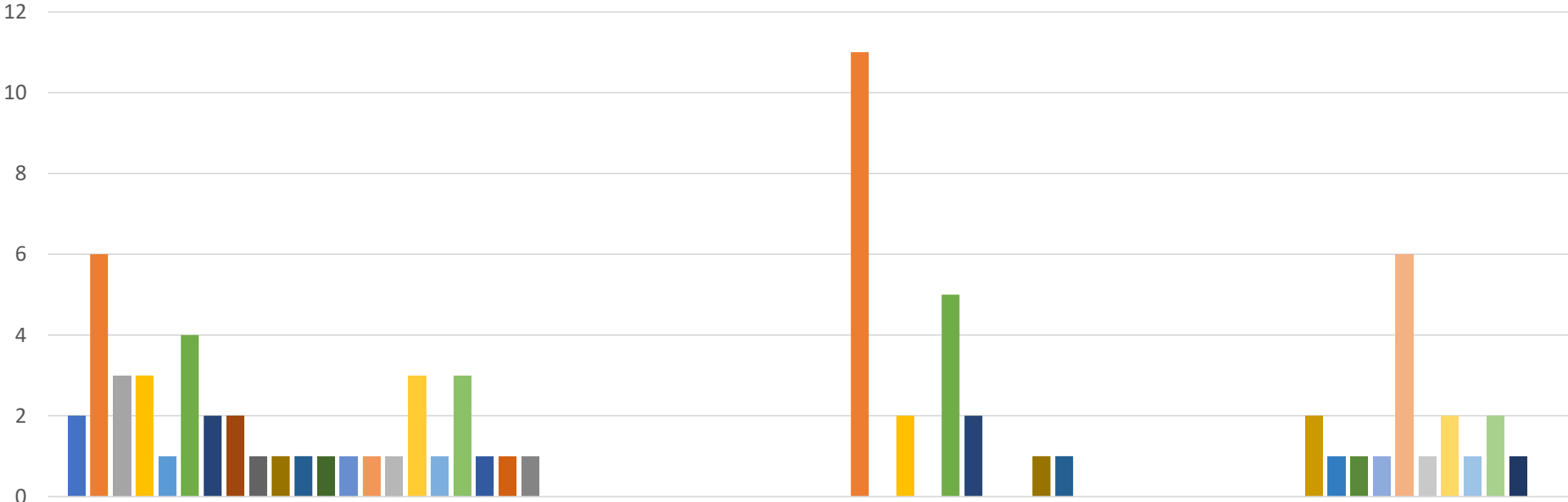
	Suppliers (at risk)	Parts (at risk)
<b>Americas</b>		
United States	52,990	252,990
Mexico	10,056	89,818
Brazil	15,077	7,159
<b>Asia-Pac</b>		
Taiwan	10,292	36,472
Japan	12,443	54,165
Malaysia	8,425	29,616
India	15,202	28,256
<b>EMEA</b>		
France	12,453	29,541
Spain	8,387	7,314
Germany	25,329	59,097



Source: [Covid in the U.S.: Latest Map and Case Count - The New York Times \(nytimes.com\)](https://www.nytimes.com/2021/12/29/us/covid-cases-map.html)

# EventWatch<sup>AI</sup> Data on Covid

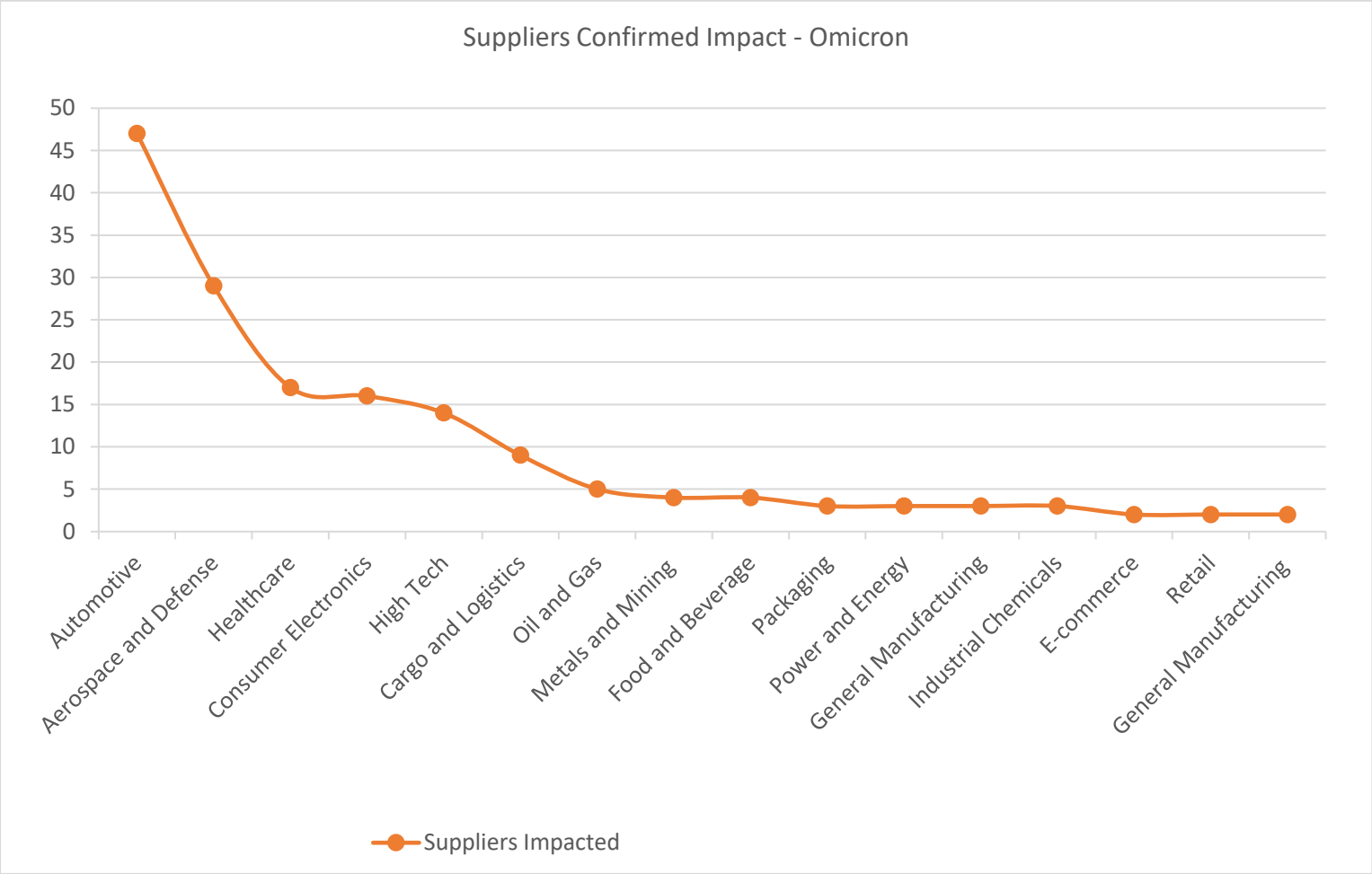
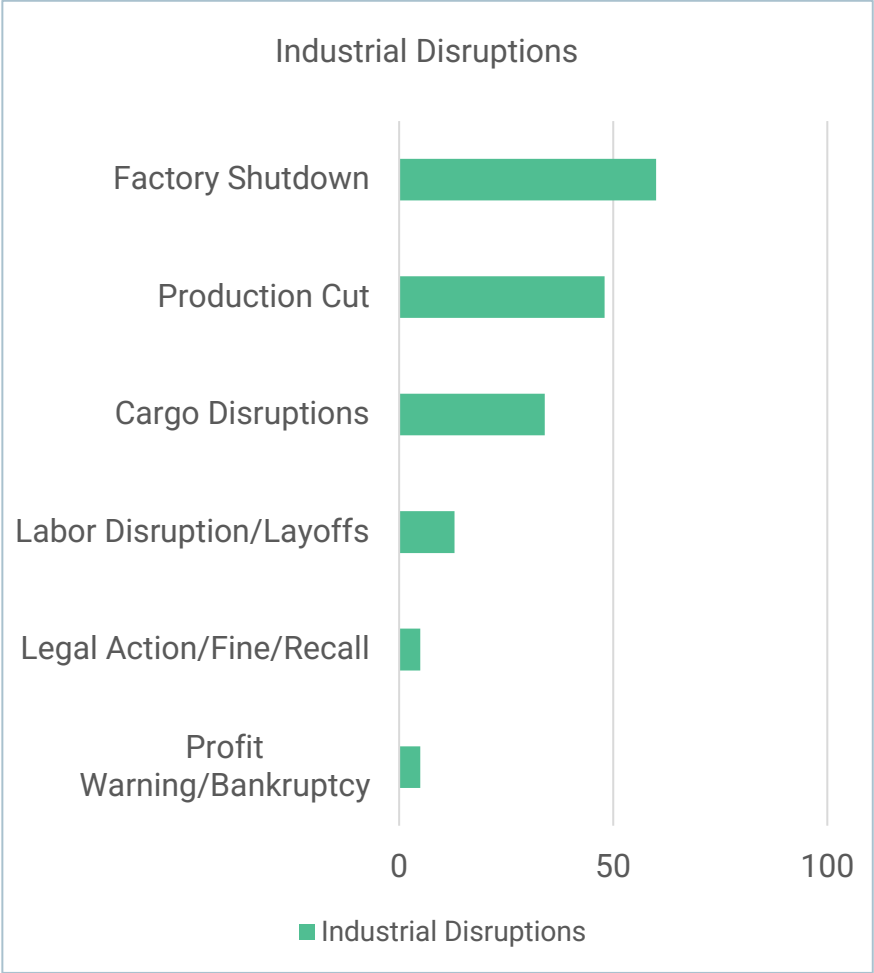
Lockdowns and Travel Restrictions July 2021-January 2022



- Legend for countries:
- Japan
  - China
  - Hong Kong
  - India
  - Angola
  - Australia
  - Germany
  - Israel
  - Republic of Korea
  - France
  - Italy
  - Nepal
  - Saudi Arabia
  - Pakistan
  - Puerto Rico
  - United Kingdom
  - Singapore
  - United States
  - EU
  - Malaysia
  - Myanmar
  - Canada
  - Netherlands
  - Austria
  - Russian Federation
  - New Zealand
  - Sri Lanka
  - Vietnam
  - Indonesia
  - Thailand
  - Philippines
  - Morocco

# Covid Disruptions Continue...

Suppliers confirm OMICRON impact



The background of the slide is a dark blue color with a pattern of light blue, stylized virus particles. The particles are spherical with numerous small protrusions on their surface, resembling coronaviruses. They are scattered across the frame, with some larger and more detailed than others.

# Affects across Asia-Pacific



# Omicron in Asia

- Several countries in Asia have identified Omicron cases:
  - Cambodia
  - China
  - Hong Kong
  - India
  - Japan
  - Indonesia
  - Malaysia
  - Philippines
  - Singapore
  - South Korea
  - Taiwan
  - Cambodia
- The Asian Development Bank warned that the Omicron variant could have substantial economic impact
  - There is uncertainty for economic rebound as growth rates predicted by The ADP were slightly lower than previously predicted

## Omicron in Asia



# Omicron Impacts in Asia

- Lloyd Chan, an economist at Oxford Economics remains cautious about Asian exports happening through Q1 2022 due to the variant and slowdown in China. Outlooks for the rest of 2022 are expected to be well as global recovery drives demand
  - Asia's economic growth (excluding China) is expected to reach 4.7% by the end of Q4 2022
- The variant could impact the recovery of trade of goods and services in ASEAN economies
  - In Japan, the Tankan survey showed a drop in scores from 18 to 13, meaning economists are weary of the impact of the variant
- According to Reuters.com, U.N. agencies who specialize in tourism and aviation “pleaded” for travel restrictions be imposed as a last resort only
  - Full recovery for airline industries is not expected until at least the second half of 2023 after news of the Omicron variant
- The variant has been aggressive in Indonesia and Malaysia as the countries struggle to respond to spikes of cases
  - The countries have kept their benchmark interest rates at record lows in preparation for spikes of the variant. Malaysia's GDP contracted beginning Q3 2021, while Indonesia's Rupiah declined .8% so far this new year
  - Cases are expected to rise due to holidays

# The China Effect

- Since January 23rd, mainland China has reported 105,660 cases in 14 provinces
- China's zero Covid policy has led to lockdowns in multiple regions across the country throughout the pandemic
  - Lockdowns in certain regions are leading to factory disruptions and delays in transportation and shipping
- Chinese New Year threatens to exacerbate shortages across the global supply chain as small shipping companies are beginning to close for the New Year, which starts on February 1<sup>st</sup>
- The Winter Olympics combined with the New Year could exacerbate shipping shortages and disruptions amid current shutdowns
  - The games could intensify backlogs as production activity declines in factories in the Northern region, due to quarantine regulations



Source: [Latest on COVID-19 pandemic - Chinadaily.com.cn](https://chinadaily.com.cn)

# Omicron Variant Effects on Supply Chain

- Hopes of supply chain operations returning to normal in 2022 are dwindling due to Omicron
- Countries enacting travel bans will affect the supply chain:
  - Activity between countries will be limited – without freedom of movement there could be a global transportation system collapse, which the International Chamber of Shipping has previously warned governments about
  - Consumer and corporate confidence is declining
- Inflation in the US will peak
  - Higher inflation in housing and food costs
  - Inflation rates should moderate in the second half of 2022, although at a higher rate than previous decades

**While the US consumer is largely well-positioned, higher inflation has weighed on sentiment.**



Source: [Economic outlook for 2022 | Fidelity](#)












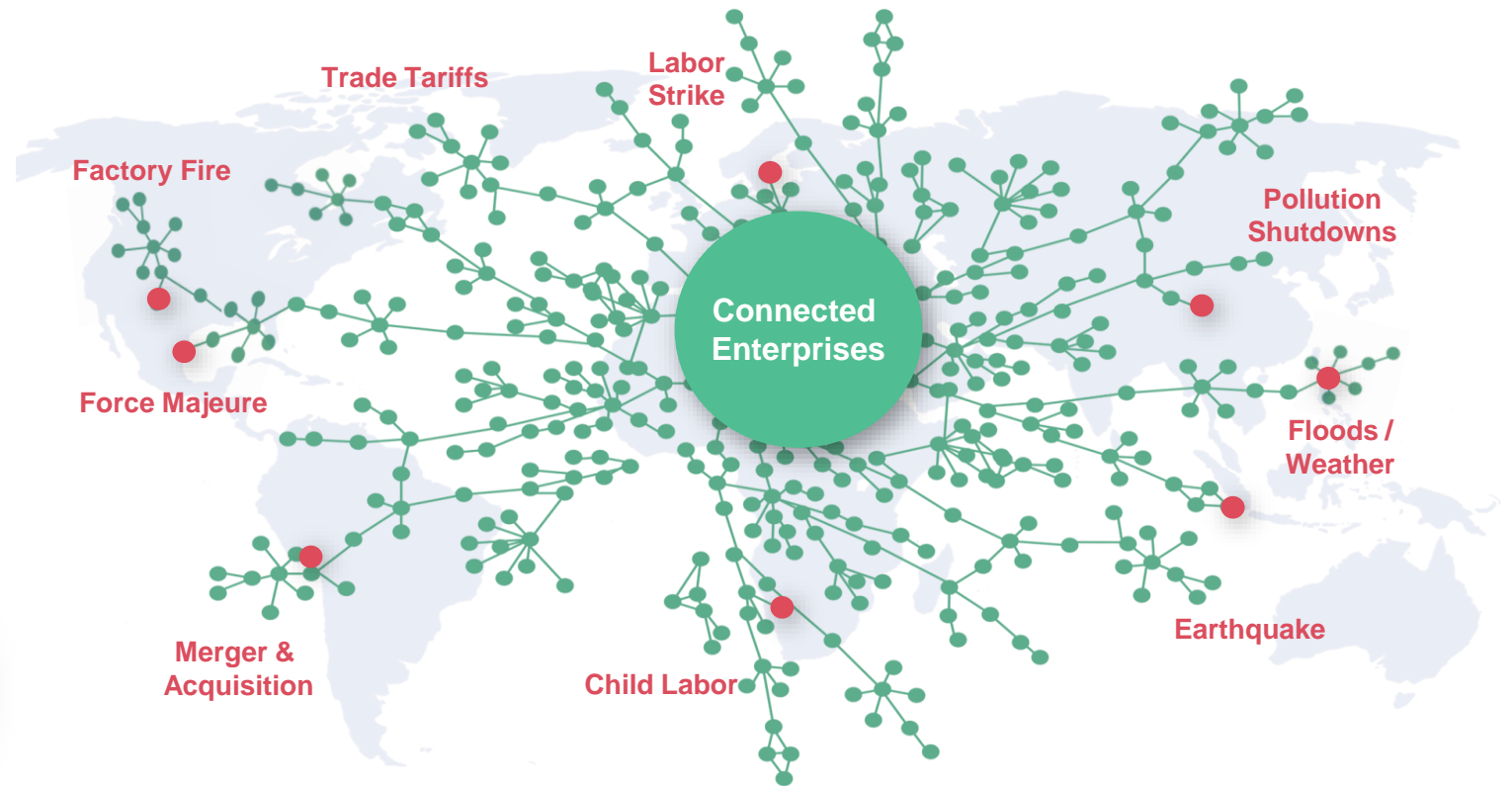
# Resilinc Solutions



# The deeper you go in the supply chain, the lower the visibility: This is what we fix

Many failure points and disruptions affect the entire supply chain network

	<b>Tier 1</b> 100-1,000 direct suppliers High % spend but low % revenue at risk <b>Visibility 75%</b>  <b>Risk 5-20%</b> 
	<b>Tier 2</b> Many more sub suppliers per T1 <b>Visibility 20%</b>  <b>Risk: 20-50%</b> 
	<b>Tier 3+</b> Often low visibility in your enterprise <b>Visibility 5%</b>  <b>Risk: 50-90%</b> 



Global Supply Chain Risk increased 67% in 2020 → Enterprises can't afford to stay reactive



# Operating without visibility has a high cost... So, visibility has a high ROI!



What is the cost of not taking action?



What is the cost of making the wrong decision?



What is the cost of making the right decision slowly?



What is the cost of not having visibility?

Home > Critical > Business & Management

### The Fire That Changed an Industry: A Case Study on Thriving in a Networked World

By Amit S. Mukherjee  
Oct 1, 2008

Amil Mukherjee presents four Design Principles that senior executives can apply to transform their companies into businesses that will thrive in a networked world.

This chapter is from the book  
Soldier's Strategy: The: Orcaing Networks to Avert Crisis, Create Change, and Really Get Ahead

About 8 p.m. on March 17, 2000, a lightning bolt struck a high-voltage overhead line in New Mexico. As power fluctuated across the state, a fire broke out in a fabrication line of the Royal Philips Electronics radio frequency chip manufacturing plant in Albuquerque. Plans resumed quickly and extinguished the fire within ten minutes. At first blush, it was clear that eight trays of silicon wafers on their line were destroyed. When fully processed, these would have produced chips for several thousand cell phones. A setback, no doubt, but definitely not a calamity.

\$400 million revenue hit to Ericsson

REUTERS EVENTS<sup>SM</sup>  
SUPPLY CHAIN

Home Supply Chain Logistics Opinion Research

### The end of just-in-time?

By Alex Hedrick on Jul 3, 2020

After it was pioneered by Japanese firms 60 years ago, just-in-time supply chain operations have spread to dominate global manufacturing. With the advent of COVID-19 is that long dominance now at an end?

Heavy focus on JIT/Lean with No Resiliency Investments cost companies hundreds of millions in 2020-21

THE WALL STREET JOURNAL

POLITICS | HEALTH POLICY

### Hospitals Wrestle With Shortage of IV Bags, Linked to Hurricane

Health officials worry about responding to flu cases after Baxter International's plants were damaged

69% Delayed or Denied Care

MARKETS BUSINESS INVESTING TECH POLITICS CNBC TV

### Jaguar Land Rover's UK output threatened by coronavirus-linked parts shortage

Published Tue, Feb 18 2020 10:52 AM EST | Updated Tue, Feb 18 2020 11:29 AM EST

**KEY POINTS**

- Jaguar Land Rover has enough parts from China to maintain its British production for the next two weeks but not beyond that at the moment due to the impact of the coronavirus outbreak.
- Britain's biggest carmaker joined major global companies such as Apple in warning of the impact of the virus on supply chains.
- The boss of its parent company said the company does not have sufficient visibility regarding parts suppliers from China.

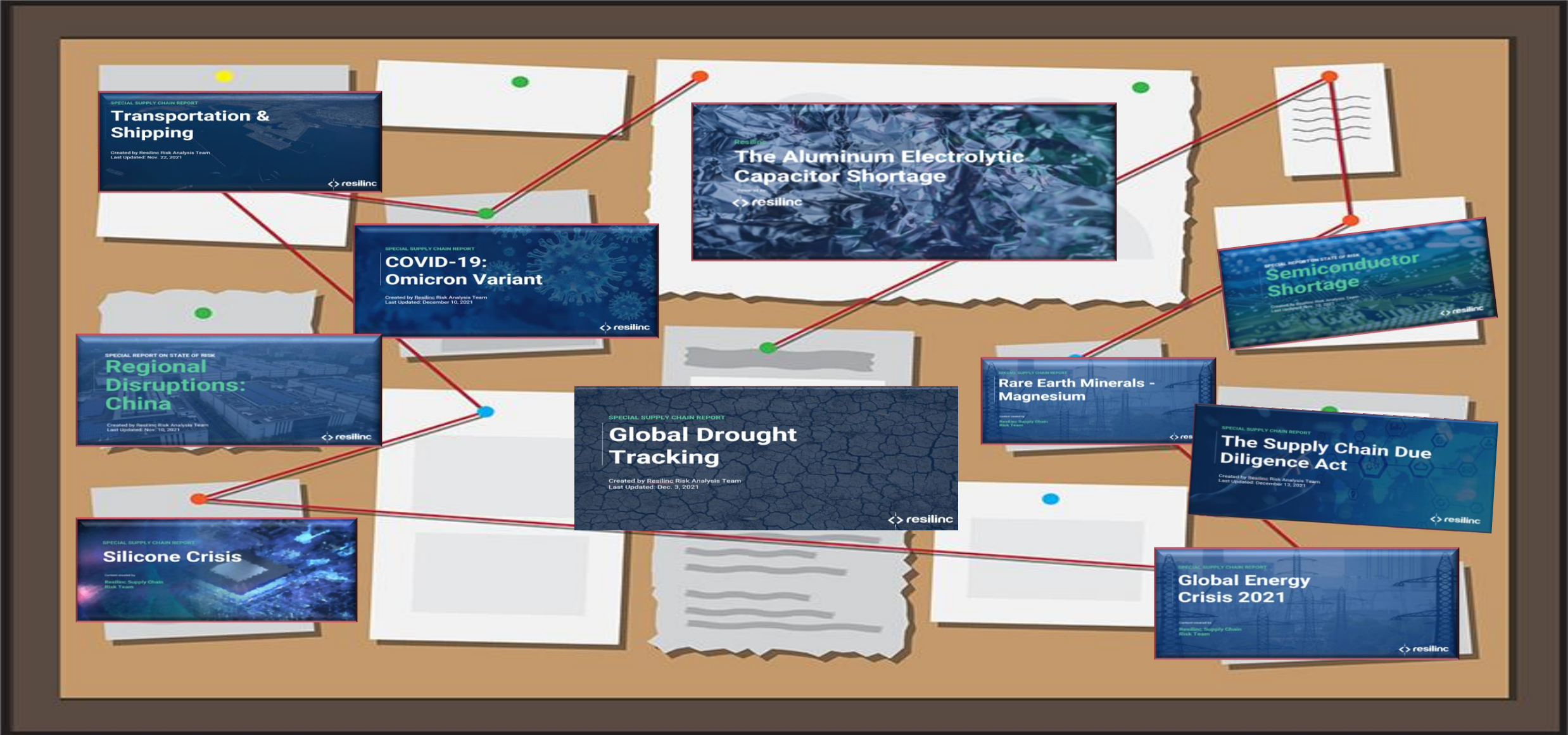
The boss of Tata Motors, JLR's parent company, speaking at the same event, said the company does not have sufficient visibility regarding parts suppliers from China.

Expedited shipments at Premium





# Introducing Supply Chain Special Reports





**THANK YOU!**

