

## **STATEMENT**

# **Fair Practices Committee Steering Group on current supply chain disruptions and possible delays during the upcoming holiday season**

November 2021, Lisbon

NOTES that the Covid-19 pandemic disrupted nearly every aspect of the global supply chain from extraction of raw material, manufacturing, and transportation of goods from where they are mined, grown, or manufactured to the end of the chain, be it either a company or consumer that has paid for the product.

FURTHER NOTES the increased media focus on the global supply chain disruption that is causing delays in the delivery of goods.

IS CONCERNED that the media narrative is faulting transport workers for the supply chain disruption, especially dockers and seafarers, with little mention of the factories that were shut down or forced to reduce production due to wide spread of Covid-19 cases in parts of the world where most of the world's manufacturing capacity is, like China, South Korea, Taiwan, Vietnam, and Germany or that most companies historically keep a low inventory to save cost.

IS MINDFUL that shipping companies miscalculated and reduced their schedules in anticipation for a drop in demand for moving goods globally, while consumer goods market actually increased during the pandemic.

NOTES that the steep surge in consumer purchases saturated the system for transporting goods to the factories, while finished products, many in China, accumulated in warehouses and ports throughout Asia due to an extreme shortage of shipping containers.

FURTHER NOTES that the container shortage was due to containers being "stuck" in the wrong places e.g. China shipped huge volumes of PPE worldwide, however many of the regions do not ship back to China which resulted in a large number of empty containers being left in those countries while production of goods in China sharply increased to meet consumer demands. The scarcity of containers and the increasing demand for shipping resulted in price-gouging and the cost of cargo transport skyrocketing.

ACKNOWLEDGES that the heavy influx of ships overwhelmed the availability at ports and that quarantine of drivers and dockers also impacted the global supply chain, but that the main reason for the disruption is not because of transport workers.

REQUESTS the ITF to publish a statement clarifying that transport workers are not responsible for the current global supply chain disruption and that shortages and delays that might affect the holiday season shopping is due to decisions made by companies and not workers.

