

Pandemic Disruption Of Global Transportation Adds Up To Higher Costs, Longer Wait Times For Medical Supplies

COVID-19 continues to negatively impact the healthcare supply chain. The need to replenish critical medical supplies from overseas sources is combining with unprecedented transportation complications to create problems that are slowing the recovery of the U.S. healthcare system. Healthcare distributors are taking action to address these challenges and build a more robust and resilient supply chain.



Truck Driver Shortage

60,000+ estimated shortage of drivers



Freight Rail Imbalance

1,000-3,000 containers backlogged at global terminal in Illinois



Shipping Container Scarcity

120 additional fully-loaded container ships required to meet demand from North America, January–April 2021 compared to 2019

Higher Costs

400% increase in average price worldwide to ship a 40' container from 2020 to 2021 (WSJ, 7/5/21)

Longer Wait Times

235% longer than normal. 33 days needed to ship from Shanghai to L.A. (WSJ, 5/18/21)

Slowed Recovery For Healthcare

Inflationary Pressures

0.9% increase in U.S. consumer price index, May–June. Largest 1 month change since 6/08 (Global Trade Review, 7/13/21)

Inconsistent Deliveries

13x more ships arriving 7+ days late to U.S. West Coast ports than 2012–2020 average (WSJ, 7/5/21)

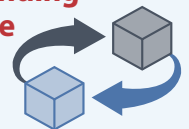
Healthcare Distributors Are Taking Action To Change The Equation

Diversifying Sources



Expanding Domestic Manufacturing

Recommending Alternative Products



Building A Bigger Cushion

- Increasing Inventories
- Supporting Public And Private Stockpiles

Sources: American Trucking Association, 2018; DSV, 7/16/21; Bimco, 6/10/21