The lead time for production materials reached a record high of 100 days in April while the average commitment time for capital expenditures reached a record high of 173 days. Source: (1) Bloomberg Government, “Storm of Disorder Worsens for US Manufacturers” (May 3, 2022). MRO = maintenance, repair & operating. (2-4) Bloomberg. Data as of May 3, 2022.

Global supply chain dislocations have shifted once again from transportation to manufacturing. Despite some recent improvement in transportation delays globally, challenges in manufacturing lead times have risen. ISM data for April shows the lead time on key manufacturing inputs lengthening, in some cases to record levels. At the same time, COVID-induced shutdowns in China have caused manufacturing PMIs to contract for two months in a row, and the time between ordering a microchip and delivery has extended to double its pre-COVID average.

Persistent supply chain dislocations have, in turn, rippled through global trade. Notably, US auto sales are down (-23%) y/y as supply side disruptions have caused auto inventories to hit record low levels. Looking ahead, a recent survey by Oxford Economics shows that nearly 75% of respondents expect disruptions to last beyond the end of this year, up from 60% last month. When do you expect supply-chain disruption to end for your business?

In an effort to improve supply chain resilience, businesses increased inventories to record levels in February and March this year. Although April’s level fell slightly, it is the fourth highest value ever for the index. Logistics Managers’ Index, inventory levels

Which of the following steps are you taking to improve the resilience of your supply chains?

In response to ongoing supply chain disruptions, 54% of businesses are taking steps to improve the resilience of their supply chains, according to the same Oxford Economics survey of over 150 businesses conducted at the end of April. Which of the following steps are you taking to improve the resilience of your supply chains, according to the same Oxford Economics survey of over 150 businesses conducted at the end of April?

When do you expect supply chain disruptions to end for your business?