

Supply Chain Trend Wrap-up



The collapse of Baltimore's Francis Scott Key Bridge and other events that impacted the world's supply chains in March.

March was an active month for the supply chain sector, with [the collapse of Baltimore's Francis Scott Key Bridge](#) clearly being one of the most newsworthy and tragic events to impact supply chains during that 30-day period. When the massive Dali cargo ship slammed into a piling on its way out of the Port of Baltimore, it took at least six lives and the elevated portion of the 1.6-mile span with it.

The recovery process and investigation were both still underway at press time, but experts have already weighed in on the potential impacts of the tragic event in terms of ocean-going freight, over-the-road trucking and the total financial impact of the collision. Within a few days it became clear that mechanical failure may have been to blame, and that the ship's pilot and crew took steps to try to avoid the collision and alert authorities about the problem.

The longer-term impacts of the bridge collapse on the world's supply chains remain to be seen, with [Bloomberg](#) pointing out that every day the Port of Baltimore is closed is "another \$217 million that's not crossing its docks." The port managed about \$80 billion in total bilateral trade in 2023.

First-Ever Global Supply Chain Forum Coming Soon

In March, UNCTAD announced the first-ever [Global Supply Chain Forum](#), which it developed as a platform where leaders and experts can discuss the changing landscape of international trade and logistics. The forum will be an in-person, four-day event that takes place May 21-24, 2024 in Bridgetown, Barbados.

In recent years, global trade has faced significant disruptions, from the COVID-19 pandemic to climate change and geopolitical tensions. UNCTAD said these challenges have tested global supply chains and highlighted the urgent need for resilience and sustainability, particularly for developing countries.

"Recognizing the disproportionate impact of supply chain disruptions on vulnerable economies far from the main lines of trade, especially small island developing states (SIDS) and landlocked developing countries (LLDCs)," UNCTAD said in a [press release](#), "the forum will explore ways to strengthen resilience and sustainability in global supply chains, ranging from trade facilitation reforms to digital innovations."

Semiconductor Manufacturing Trends

In "[Semiconductor Supply Chain: Political And Physical Challenges In 2024 And Beyond](#)," Markit paints a picture of an industry sector that's posting double-digit growth this year. "Our forecast calls for industrial production of semiconductors to rise by 21% in the first quarter of 2024 due to a cyclical recovery, with the investment-driven growth only starting in 2026," the company says.

Strategic rivalry between the U.S. and EU on one side and mainland China on the other has distorted supply chains for nearly a decade and is likely to continue to do so, according to Markit, which expects private investment in industrial facilities to increase by 85% this year (compared to 2019).

"The chip industry sits at the nexus of national security and economic development policies," the company adds. "That

has resulted in a race both in supporting national investments in the semiconductor sector as well as escalating restrictions against sharing technology.”

It says that the US CHIPS and Science Act has attracted investment in six major U.S. semiconductor plants (or “fabs”) so far, but adds that only a few funding awards have actually been made.

In fact, Markit says the act doesn’t address three challenges that may hold back the development of the nation’s supply chain ecosystem: vendor concentration; advanced packaging, testing and assembly; and cost increases. “The act also may be causing unintended consequences,” it says, “including reactions from allies and from competitors.”