



CHINA

# CORONAVIRUS OUTBREAK IN CHINA: IMPACT TO SUPPLY CHAIN

A survey was conducted by Institute for Supply Management® between February 22 - March 5, 2020. This survey included over 600 respondents focused on the impact of the coronavirus outbreak in China.

## Manufacturing Capacity & Production



On average, suppliers are operating at **50% CAPACITY**

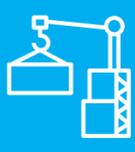


Proportion of normal staffing levels in Chinese manufacturing facilities are at **56% CAPACITY**

## Transportation & Logistics



**62%** of respondents are experiencing delays in receiving orders from China



**48%** of companies are experiencing delays when moving goods within China



**46%** of companies report delays loading goods at Chinese ports

## Impacts to the Business



Getting goods to market to meet customer demand



**57%** of companies reported worsened lead times since late 2019



Financial impact



Companies have adjusted revenue targets down an average of **5.6%** some as much as 15%

## Supply Management Challenges



**MORE THAN 44%** of respondents do not have a plan in place to address supply disruption from China



Of those, **23%** report current disruptions

## Top Things to Consider

### Diversify Supply Chain



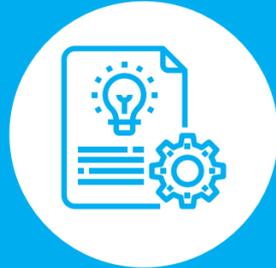
Companies that shift production to other countries, or find alternative suppliers outside of China, are better positioned to withstand the impact of a supply disruption.

### Develop Transportation Risk-Mitigation Plan



Due to limited transportation availability—air freight and container ship—consider impacted lead times and alternate solutions.

### Now is the Time to Plan



Supply chain disruption is becoming the norm. It is critical to make time to develop your plan.

Stay up-to-date with the ISM coronavirus resource page for supply management professionals:

<https://weareism.org/coronavirus-ism.html>

