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Global Supply Chain Update:

Last week, the President declared a National Emergency and is considering enacting the Defense Production Act. These measures are in response to the growth of the coronavirus (COVID-19) pandemic. The very real threat to our daily lives and the economic impact and uncertainty of when and how a resolution will occur is uncertain.

Most businesses engaged in global trade have hunkered down, with personnel working from home, limiting in-person contact and maintaining minimum levels of supplier and customer relationships.

The coronavirus (COVID-19) has become a very serious pandemic impacting people, business and international trade in all markets and every corner of the planet.

The media continues reporting on the effects the coronavirus is having on individuals and business, specifically how the authorities are reacting and where we stand on both national, state and local scenarios.

The stock market is in very vulnerable, businesses are facing major downturn, unemployment rates are climbing. All governments of the world are in peril, as they tackle both health issues and tanking economies.

Over the past few weeks there has been significant reduction of travel, yet various government agencies are attempting to keep commercial trade lanes open.

China is reporting that manufacturing is passing 75% capacity and the various carriers have begun to re-position their assets to begin to move freight on regular patterns.

Globally there has been an uptick in cases, particularly in Europe. Countries such as Italy are struggling with an overburden to their healthcare systems.

At Blue Tiger International we have been monitoring the situation and all reports closely. In this uncertain time, we understand the very real impact this outbreak has on business models, personnel and global supply chains. As consulting experts, we are being asked our opinion daily

by media outlets, clients, business associations on this topic. We are preparing opportunities to speak to specific strategies and plans to prepare and mitigate the situation. Blue Tiger International has developed solutions, options and business models to assess and implement the necessary global supply chain modifications.

In the short-term companies may consider the following:

- Focus on reliable information flows to keep apprised of the impact to their organizations and supply chains
- Keep up timely and comprehensive communications with suppliers and customers
- Conserve inventory levels
- Seek short-term options for supply sources
- Establish point personnel and committees to collaboratively provide pandemic solutions
- Be sensitive to health care concerns and individual needs of colleagues and staff
- Anticipate delays
- Anticipate expedited shipping, such as by air freight ... which will increase “landed costs”

Longer-term ... a mitigation strategy we have been utilizing is Alternative Sourcing options, our clients who utilized this strategy are continuing to do business as they have found better suppliers in others markets such as Vietnam, Malaysia, Taiwan, Mexico and Turkey to name a few. These new suppliers are seeing an upswing in their business making them more competitive with providing even greater quality. Our clients are pleased with the savings and even more pleased as they are NOT being affected by the tariffs and disruptions occurring on goods originating in China.

China will always be an important supplier to the world, but companies should seek diversification in their supplier portfolios.

Blue Tiger International’s “Risk Mitigation” strategies, with time proven benefits, operating in numerous verticals and focusing on supply chains with purchasing and sourcing outside of China. There are several options available, utilizations of programs in:

- Free Trade Agreements
- Bonded Warehousing
- Foreign Trade Zones
- Drawback

- Freight Consolidation
- Tariff Engineering
- Alternative Sourcing

Solutions can be short-term in just managing the current set of circumstances and disruption or long-term in searching for more sustainable options that will work over greater periods of time and circumstance.

Areas such as contingency planning, utilizations of different modes of transit, discriminating inventory allotments, and the demand planning process...all can be revised to deal immediately with the current set of circumstances.

Blue Tiger International remains committed to serving our valued customers and supporting the health and well-being of their personnel and **global business models**. Contact us to see how we can assist you with strategies to keep your business running effectively and smoothly.

Learn More about Blue Tiger International visit our website www.bluetigerintl.com or contact Diane Martin, Director of Client Services at Dmartin@bluetigerintl.com.