You May Want to Start Your Christmas Shopping NOW!

September 28, 2021 - The last thing I need for Christmas is anything that isn't consumable. If I can't eat it or drink it, it's just something else I'm going to have to move when I eventually retire. Therefore, I don't want it. But I do understand that most people probably don't feel the same way. You may be looking forward to that video gaming system you've always wanted, a new computer or even just a Bluetooth speaker. Unfortunately, between all of the government shutdowns, semiconductor shortages and supply chain issues that have been caused largely by incompetent politicians around the globe, you could very well have trouble finding the things you want this year. And if you do find them, there is a very good chance that they will be a lot more expensive than they were just a few months ago due to the equally inept monetary policies of the FED and the current administration. So if you're going to be doing any holiday shopping at all, the time to start is right now.

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Now that I have all of that out of my system, here is the skinny on shopping for this year.

Retailers are already warning that they may not have the items in stock that the public wants. There are several things going on that are causing this.

First, there is a semiconductor shortage. It wasn't too long ago that most of the world's semiconductors were manufactured right here in the United States. But now, most of the semiconductors we use are from other areas of the world.

All of the COVID shutdowns led to interruptions in manufacturing, which in turn has led to shortages in semiconductor supply. And those shortages are causing huge problems for manufacturers and retailers. GM has had to shutter most of its production lines because they can't get the computer chips they need. So if you are thinking of buying or giving a new car for the holidays, you may have a very long wait. Other products are equally impacted. There are currently shortages in many electronic products and this problem is likely to get worse as the holidays near and people start to realize that Christmas shopping will be a little more difficult this year.

Semiconductors aren't the only issue though. COVID shutdowns have interrupted manufacturing across the board. So even non-technical items like furniture can be difficult to purchase. This is especially true for imported items. As bad as the shutdowns have been in the United States, they have been much worse of some other areas of the world.

And speaking of imported items, it's also worth noting that American ports are having significant difficulties in offloading ships. There are around 70 ships off the Port of Los Angeles right now that are waiting to dock, but for which there is no berthing space. Other ports have similar issues.

Asian ports that export goods to the United States are having their own issues. These include too few ships and a shortage of cargo containers. Perhaps that doesn't matter though because the shortage of ships is probably caused by the fact that once the ships arrive here, as noted above, they are having trouble offloading and returning to their home ports. It's a vicious circle with no real end in sight. In fact, it is likely to get worse before it improves.

So if you are in market for something for the holidays and you see it now, you should probably also buy it now. Last minute shopping this year is only likely to lead to a lot of disappointment.
by Jim Malmberg
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