Chinese Port Closures Will Lead To Shortages Of Just About Everything

January 19, 2022 - There haven't been a lot of mainstream media reports on this but China began shutting down some cities and ports on January 3rd. Since then, they have closed virtually all of their ports and there are now roughly 90 million people in various Chinese cities that are locked down. Yesterday, China began to refuse international mail deliveries. That means that virtually all trade between the west and China has ceased. And in about two weeks, that means that most of the products we have gotten used to purchasing whenever we want them will no longer be available. As ZeroHedge put it in an editorial, we are facing "the mother of all supply chain" issues. And most Americans aren't aware of it yet.

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If there has ever been a case for decoupling the United States from China, this is it. It doesn't matter if a product is manufactured in the United States or not if some of the components used to make that product come from China. In that case, the product simply can't be made once the Chinese components run out. And virtually everything that is powered by electricity has some Chinese components in it.

As an example of this, one of the first cities that shut down this year was Xian. You may have never heard of it, but more than 40% of the computer chips used by Samsung (a Korean company) alone are made there. Most of the rare earth minerals - minerals that are needed to manufacture smart phones, computers, tablets and a host of electric appliances - are mined in China and virtually all rare earth minerals are refined in China regardless of where they are mined. With the ports shut down, every electronics manufacturer around the globe is in trouble, as are virtually all auto manufacturers.

Most of the batteries used in electric and hybrid vehicles also come from China. With the ports shut down, that supply is about to be cut off too. And even if you aren't in the market for a new car, truck, tractor or combine, if those items break down you probably won't be able to get replacement parts for them. Farmers in the US are already facing that problem; often having to wait months for spare parts to make repairs.

If you are wondering why this is happening, there are two or three reasons. COVID is the main culprit; ironic since it originated in a Chinese laboratory and was allowed to spread around the world by the Chinese Communist Party (CCP). China is one of the few nations that have a zero-tolerance policy for COVID. Any time they get a report of a case, they shut the area around that case down.

Another reason is the Winter Olympics. They are coming up next month in China and the CCP is trying to prevent a

publicity disaster. They don't want the worlds best athletes to come there and then catch COVID. They are trying to prevent that, and in the process they are crushing the world economy.

And finally, there have been unconfirmed reports that a new strain of COVID has been spreading in China. If true, those reports are disturbing because the symptoms reported include hemorrhaging from the eyes, nose and ears... similar to Ebola. Unfortunately, the CCP lies about anything that reflects badly on China. In fact, just about any statement they put out can be deemed to contain lies. Right now they aren't saying much of anything though. That really shouldn't surprise anyone because they have been lying about COVID from the beginning. Unfortunately, the only way we are likely to find out if these reports are true is if the new variant spreads beyond China; which almost certainly happened if the Winter Olympics aren't canceled.

There are two take-aways from all of this. First, if there is a purchase you have been considering, you need to make it now. If you don't, then there is a very good chance that you will have to wait a very long time before you can get what you want.

The second take away is that the United States should withdraw from the Winter Olympics and restrict travel by anyone who has recently been to China. And we need to encourage other countries to do the same. But the only way that is going to happen is if we start putting pressure on the Biden administration now. We have less than a month to stop what could be a disastrous super-spreader event.
by Jim Malmberg
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