

Looking for Cracks in the World's Supply Chains



The new presidential administration turns its attention to how products that Americans use in their everyday lives—or that are necessary to keep the country safe—could be made less vulnerable to future supply chain disruptions.

The global pandemic has brought to the surface a number of new buzzwords meant to describe and explain what we've all been enduring over the last year. There's social distancing, community spread, contact tracing and essential employees, to name just a few that we've added to our glossaries. By no means new and used mostly by companies that actually have them, "supply chains" is another two-word combo that's become part of our everyday vernacular.

Supply chains are now on the radar screen of President Joe Biden, who in late February threw down the gauntlet and asked his administration to "identify and fix potential cracks in supply chains that could cause shortages of critical items like chips inside cars, minerals in flat-screen televisions, batteries in electric vehicles, and ingredients in life-saving medicines," [CNN](#) reports.

Resiliency Wanted

According to CNN, Biden directed his team to conduct a review determining which products used by Americans in their everyday lives—or that are necessary to keep the country safe—could be vulnerable to disruptions. Interested in just how much of that supply depends on countries like China, Biden wants to take a more proactive approach to supply chain crises.

In the [Executive Order on America's Supply Chains](#), the president discusses the need for resilient, diverse and secure supply chains to ensure economic prosperity and national security. He points to pandemics, biological threats,

cyber-attacks, climate shocks and extreme weather events, terrorist attacks, and geopolitical and economic competition as conditions that can reduce critical manufacturing capacity and the availability and integrity of critical goods, products and services.

"Resilient American supply chains will revitalize and rebuild domestic manufacturing capacity, maintain America's competitive edge in research and development, and create well-paying jobs," the executive order states. "They will also support small businesses, promote prosperity, advance the fight against climate change, and encourage economic growth in communities of color and economically distressed areas."

In reiterating his commitment to strengthen the nation's supply chains, Biden says such networks will lead to greater domestic production, a range of supply, built-in redundancies, adequate stockpiles, safe and secure digital networks, and a world-class American manufacturing base and workforce.

"Moreover, close cooperation on resilient supply chains with allies and partners who share our values," he adds, "will foster collective economic and national security and strengthen the capacity to respond to international disasters and emergencies."

The Next Steps

According to CNN, the Biden administration is conducting a 100-day review to identify gaps in domestic manufacturing and find places where critical products are reliant on countries that are either unfriendly or could become so.

The review will focus on four areas of potential vulnerability:

- Semiconductors (or computer chips)
- Large capacity batteries (like those used in electric vehicles)
- Pharmaceuticals and drug ingredients
- Rare earth metals used in flat screens, advanced weapons and other products.

The executive order also directed a review in six sectors to identify potential supply chain weakness: defense, public health, information technology, transportation, energy and food production, CNN reports. “We’re not simply planning to order up reports,” one administration official stated. “We’re planning to take actions to close gaps.”

It Can’t Come Soon Enough for Some

The *New York Times* says that the executive order, which has bipartisan support, “will do little to immediately resolve global shortages, including in semiconductors—a key component in cars and electronic devices.”

A dearth of these components has forced numerous American auto plants to close or scale back production. “Administration officials said the order would not offer a quick fix,” the publication states, “but would start an effort to insulate the American economy from future shortages of critical imported components.”

