

August Supply Chain News Wrap-Up



Here are some of the biggest supply chain-related events and news that made headlines last month.

Worry over whether Canada’s two largest rail companies would strike has been backburnered thanks to government intervention, but global supply chains may not be completely out of the woods yet. In August, The Canadian Pacific Kansas City railroad and the Canadian National Railway locked out workers after they failed to reach a new contract deal with Teamsters Canada Rail Conference.

The Canadian government ordered the rail companies and the Teamsters into binding arbitration. And while the work stoppage lasted less than 17 hours, during that time it did threaten to disrupt shipments of cars, timber, petroleum products and grain across Canada and the U.S., the *Washington Post* reports.

It may not be all smooth sailing ahead. *Reuters* says the union representing over 9,000 Canadian rail workers is now challenging the federal government’s effort to mandate binding arbitration that would end an unprecedented rail stoppage at both of the country’s main freight rail carriers.

The Teamsters union also filed notice to strike on Monday at Canadian National Railway, Canada’s largest railway. “The union’s moves are the latest twist in labor disputes at CN and Canadian Pacific Kansas City which locked out Teamsters members,” the publication reports, “triggering a simultaneous rail stoppage that business groups said could inflict hundreds of millions of dollars in economic damage.”

Red Sea Dangers

Iran-aligned Houthi militants continue to attack international shipping near Yemen in solidarity with Palestinians in the war between Israel and Hamas. In August, one casualty of these attacks was a Greek-flagged tanker. The tanker was adrift in the Red Sea after repeated attacks that started a fire on the vessel and caused the ship to lose power, *MarineLink* reports.

The 164,000 dead-weight tonnage (dwt) tanker has one million barrel crude oil cargo onboard and if the vessel breaks up it could be one the largest tanker oil spills in history, according to *Seatrade Maritime News*. Sounion is the third Delta Tanker-operated ship targeted by the Houthis.

This and other attacks are forcing ship owners to reroute vessels away from the Red Sea and Suez Canal to the longer route around the southern tip of Africa, cascading costs and delays through global supply chains. “The Houthis so far have sunk two ships and killed at least three crewmembers,” *MarineLink* says. “Experts say their attacks will not stop until Israel and leaders of the Palestinian group Hamas agree to a ceasefire in Gaza.”

According to *S&P Global*, the ongoing attacks have forced ships to divert around Africa instead of transporting goods into Europe via the Suez Canal. “This has extended shipment times by up to two weeks,” it adds, noting that the impact of these shipping delays has “varied so far during 2024,” but that

they picked up in July and are now running at nearly four times the long run average.

“While this is still well below the peak impact seen during the pandemic,” S&P Global says, “it represents an impact on supplier delivery times of the likes not seen by the PMI surveys in the 15 years of data available prior to the pandemic.”

Blockchain in the Supply Chain

As organizations and governments try to figure out where blockchain fits into the broader scheme of things, the food supply chain stands to benefit substantially from the advanced technology.

In *From source to stomach: How blockchain tracks food across the supply chain and saves lives*, SettleMint’s Matthew Van Niekerk writes about how blockchain provides transparency and traceability across food supply chains, and how the technology’s widespread usage within the food industry will “improve accessibility and quality of produce, ultimately saving lives.”

“A blockchain-run food supply chain would also resolve issues around data privacy and security within the sector,” Van Niekerk writes. “Efficiently-run food supply chains can positively impact communities and lives across the globe. Ultimately, being able to track food from source to stomach improves the health and wellness of communities everywhere.”