



## October Supply Chain News Wrap

Key developments in cloud reliability, semiconductor supply and airline operations shaped logistics strategies last month.

October brought new developments in technology, trade and workforce trends shaping global supply chains. An Amazon Web Services (AWS) outage reminded companies how dependent logistics and other operations are on cloud infrastructure. Automakers adjusted production as chip supplies tightened; renewed U.S.-China trade talks signaled potential tariff changes; and airlines reported mounting costs from ongoing aircraft and parts delays.

Here's a closer look at some of the top stories that made headlines last month.

### AWS Goes Down (Taking Part of the Web with it)

Amazon Web Services reported a major outage on October 20th that took down numerous major websites with it. According to [CNBC](#), the outage was first reported at 3:11 a.m. ET in AWS' main US-East-1 region hosted in northern Virginia. A notice on AWS' status page said it was experiencing DNS problems with DynamoDB, its database service that underpins many other AWS applications.

The downward spiral continued from there and impacted everything from Disney and Lyft to Snapchat and United Airlines. The outage also brought down critical tools inside Amazon. "Some warehouse workers were instructed to stand by in break rooms and loading areas during their shift," [CNBC](#) reports, "while they couldn't load Amazon's Anytime Pay app, which lets employees access a portion of their paycheck immediately."

Systems slowly came back online and the situation was resolved later in the day, but [Logistics Viewpoints](#) says this underscores just how cloud-dependent modern supply chains are. "The outage brought attention to the role of cloud infrastructure in logistics and supply chain operations, it says, adding that for any company that depends on cloud infrastructure for logistics and fulfillment, "continuity planning and system resilience remain important priorities."

### Chip Shortage Causes Disruptions

Automakers really can't catch a break this year. Their latest roadblock can be traced back to a dispute over control of Dutch chipmaker Nexperia. The problem has triggered a new

semiconductor shortage, according to [WSJ](#), and is forcing certain manufacturers to cut production. With exports from China halted, supplies of basic car chips are running low, it says, and industry leaders warn that production slowdowns could spread quickly if shipments don't resume soon.

"Automakers are growing increasingly anxious about a shortage of simple microchips causing production disruptions, which started this week at Honda plants in North America and are expected to spread around the world," [WSJ](#) reported last month, noting that the issue stems from a geopolitical dispute involving the Dutch, Chinese and U.S. governments.

Nexperia has a substantial share of the market for basic chips found in numerous car components. For now, automotive analysts don't think the current disruption will dent car production as much as the most recent semiconductor crisis, which stemmed from impacts of the pandemic, a fire at a Japanese supplier and intense storms in the U.S. "Key suppliers have also been upbeat," [WSJ](#) reports, "saying that many substitutes exist for Nexperia's chips."

### Airlines Brace for an \$11 Billion Supply Chain Hit

A [new report](#) from IATA and Oliver Wyman warns that supply chain problems will add more than \$11 billion in airline costs this year. Delays in aircraft and engine production are forcing carriers to keep older planes in service longer, they say, and that's driving up fuel, maintenance and leasing expenses.

The global backlog for new aircraft has climbed to 17,000, limiting airlines' ability to meet rising passenger demand. IATA says older fleets will add about \$4.2 billion in extra fuel costs in 2025, along with another \$5.7 billion tied to maintenance and engine shortages. The group urged suppliers to open up access to parts and repair services and share more data to help spot risks sooner.

Without better coordination, IATA says airlines will continue to face higher costs and slower fleet renewal next year. "Airlines depend on a reliable supply chain to operate and grow their fleets efficiently. Now we have unprecedented waits for aircraft, engines and parts and unpredictable delivery schedules," IATA Director General Willie Walsh said in a press release. "Together these have sent costs spiraling by at least \$11 billion for this year and limited the ability of airlines to meet consumer demand."