

Can we ensure the supply chain Grinch doesn't steal Christmas?

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[IKEA](#), [Tesco](#), [Iceland](#), [Primark](#) and [Smyths toy stores](#): the list of retailers warning about product shortages that might happen before [Christmas](#) is ever-growing. Supply chain woes have persisted since [the panic buying of pasta and toilet paper](#) in the early days of the [pandemic](#). With Christmas approaching, these concerns occupy many consumers' minds.

Christmas is always busy for retailers. In the run-up to Christmas 2020, Irish consumers were [estimated](#) to spend €160,000 per minute on holiday goodies. This spending puts immense pressure on the complex global networks that fuel our holiday buying sprees.

Unfortunately, it's not as simple as Santa delivering everything from the North Pole to our homes by [reindeer](#). Even if he did, he might be facing [a reindeer shortage](#), a bit like [the current lorry driver shortage](#) affecting much of Europe and North America. Not having enough drivers to move goods is only part of the wider supply chain crisis. But the threat to Christmas is much bigger because we are experiencing a mismatch of supply and demand.

Companies ramping up production as countries around the world emerge from lockdowns [affect supplies of goods](#). Electricity shortages in China and high gas prices in Europe also [hamper production](#).

For decades, manufacturers have outsourced production abroad, often to Asia. Cheaper labour along with efficient transportation and good information technology cut production cost and offered consumers competitive prices.

However, this practice also creates long global supply chains. Electronics, toys, and many other popular Christmas presents are rarely produced domestically. Even the Christmas tree they are under might have arrived here in a container.

Normally, these supply chains run so smoothly that consumers don't notice them when they see items on the shelves or put them into online shopping carts. But this year, that container from China is much more expensive. Freight rates for a standard 40-foot container on the major sea freight route Shanghai to Rotterdam are \$14,555, [a 558% increase from a year ago](#). Transporting goods around the world is not as cheap as it once was.

One reason for this are congested ports increasing waiting times. US ports Long Beach and Los Angeles alone have [over 100 ships](#) waiting to unload tens of thousands of containers. Danish shipping company Maersk has routed some of its ships away from the English port of Felixstowe [because of delays with unloading there](#). These are [related](#) to the driver shortage, which means containers aren't being moved onwards as fast as usual.

The result is [a shortage of shipping containers](#) despite record levels of container production. These humble metal boxes are a cornerstone of global trade. They enable the fast loading, transport, and unloading of vast amounts of products. But empty containers need to be where

there are products to be loaded into them. Currently, many are not, though [more products are being shipped in containers now than in 2019](#). This shows that the current problems are not just a supply crisis, they are also caused by demand.

Supply chains exist to satisfy demand - and demand in many countries has [skyrocketed](#). With lockdowns easing, consumer spending increased and manufacturers and global transport systems are struggling to keep up.

Demand is created by each of us. This was very evident during recent episodes of panic buying, but it's true at other times as well, particularly at Christmas. As many parents know, the hottest toys of the year selling out before Christmas is [not unusual](#).

Consumers trigger the demand chain by buying, then retailers order items and manufacturers produce accordingly. This is made more complex by the long distances covered and the time that takes. Supply chain preparations for Christmas usually start in the spring. Consumer demand is not always predictable. By the time a product sells out, it might be too late for additional supplies to arrive before Christmas. It's even worse if supply chains are as stretched as they are this year.

We will see products sell out this year. But we can all contribute to making sure that the supply chain grinch does not steal Christmas. Where possible, we should plan ahead rather than postponing our shopping until Christmas Eve or relying on next-day delivery. Buying essential presents early can reduce the pressure. [Pre-ordering your turkey](#) can make it easier for retailers to plan appropriately.

Where things are unavailable, we can look for alternatives. Often, there are similar items available. We can also shop local, supporting our high streets and small businesses. This avoids the need for home deliveries, all part of the struggling transport system.

Presents that don't need to travel the world to reach us could be good alternatives this Christmas

Part of the pandemic-induced shopping boom has been a lack of opportunities to spend on experiences like holidays or nights out so [we bought things instead](#). This Christmas, intangible presents that don't need to travel the world to reach us could be good alternatives. They also support industries like events and hospitality.

Christmas is not about the latest and greatest gadgets, especially after the challenging times we have experienced. Supply chains are providing us with many things every day, but they cannot keep up with the ever-increasing demand for faster, cheaper, better goods. Maybe this is an opportunity to re-evaluate our priorities.