

# NEWSBYTES

February 9, 2022

No. 1055

Since 2001

A ministry of Calvary Chapel of Appleton

“Let us be alert to the season in which we are living. It is the season of the Blessed Hope, calling for us to cut our ties with the world and build ourselves on this One who will soon appear. He is our hope—a Blessed Hope enabling us to rise above our times and fix our gaze upon Him.” Tozer

## Why is Russia Using a Jammer to Interfere with Israeli Civilian Flights?

written by [Micha Gefen](#) February 2, 2022

As war draws closer between Russia and Ukraine, Putin’s actions in the Middle East show why any war between Russia and another country is more than just regional.

Russia has been engaging in spoofing, which is a form of electronic warfare designed to trick a plane’s GPS into thinking its elsewhere. Although the problem is not new, with Israel complaining about it in 2019, the recent uptick in jamming issues has caused problems to civilian aircraft trying to land at Ben Gurion.

Most believe Russia is spoofing for another reason, with Israel being caught up as collateral. However, with Israel increasing its attacks inside Syria, it appears that the recent resurgence of the problem may be tied to Russia’s view that such attacks need to be deterred.

Just the other day, Israel carried out an airstrike just outside of Damascus. The attack marked the first time Israel launched an attack in Syria since the Russian air force said it would carry out joint patrols with the Syrian air force. Russia’s moves in the Middle East appear to be opening another front against the West. This is in direct connection with the pending war with Ukraine. Putin sees Ukraine as an extension of NATO. It is his aim to crush the alliance’s eastward expansion. In the same vein, he wants to push back on Israel’s growing geopolitical influence, whether that is east to Dubai or West towards Greece.

Putin's strategy is to have Russia and Russia alone control the oil and gas lines to Europe. By doing so – he holds onto Russia's growing hegemony.

## *The World Is Still Short of Everything. Get Used to It.*

Pandemic-related product shortages — from computer chips to construction materials — were supposed to be resolved by now. Instead, the world has gained a lesson in the ripple effects of disruption.

**By Peter S. Goodman and Keith Bradsher**

Published Aug. 30, 2021 Updated Nov. 14, 2021

Like most people in the developed world, Kirsten Gjesdal had long taken for granted her ability to order whatever she needed and then watch the goods arrive, without any thought about the factories, container ships and trucks involved in delivery.

Not anymore.

At her kitchen supply store in Brookings, S.D., Ms. Gjesdal has given up stocking place mats, having wearied of telling customers that she can only guess when more will come. She recently received a pot lid she had purchased eight months earlier. She has grown accustomed to paying surcharges to cover the soaring shipping costs of the goods she buys. She has already placed orders for Christmas items like wreaths and baking pans.

"It's nuts," she said. "It's definitely not getting back to normal."

The challenges confronting Ms. Gjesdal's shop, Carrot Seed Kitchen, are a testament to the breadth and persistence of the chaos roiling the global economy, as manufacturers and the shipping industry contend with an unrelenting pandemic.

Delays, product [shortages](#) and rising costs continue to bedevil businesses large and small. And consumers are confronted with an experience once rare in modern times: no stock available, and no idea when it will come in.

In the face of an enduring shortage of computer chips, [Toyota](#) announced this month that it would slash its global production of cars by 40 percent. Factories around the world are limiting operations — despite powerful demand for their wares — because they cannot buy metal parts, plastics and raw materials. Construction companies are paying more for paint, lumber and hardware, while waiting weeks and sometimes months to receive what they need.

In Britain, the National Health Service recently advised that it must delay some blood tests because of a shortage of needed gear. A recent survey by the Confederation of British Industry found the worst shortages of parts in the history of the index, which started in 1977.

The Great Supply Chain Disruption is a central element of the extraordinary uncertainty that continues to frame economic prospects worldwide. If the shortages persist well into next year, that could advance rising prices on a range of commodities. As central banks from the United States to Australia debate

the appropriate level of concern about inflation, they must consider a question none can answer with full confidence: Are the shortages and delays merely temporary mishaps accompanying the resumption of business, or something more insidious that could last well into next year?

“There is a genuine uncertainty here,” said Adam S. Posen, a former member of the Bank of England’s monetary policy committee and now the president of the Peterson Institute for International Economics in Washington. Normalcy might be “another year or two” away, he added.

In March, as global shipping prices spiked and as many goods became scarce, conventional wisdom had it that the trouble was largely the result of a surplus of orders reflecting extraordinary shifts in demand. Consumers in the United States and other wealthy countries had taken pandemic lockdowns as the impetus to add gaming consoles and exercise bikes to their homes, swamping the shipping industry with cargo, and exhausting the supplies of many components. After a few months, many assumed, factories would catch up with demand, and ships would work through the backlog.

That is not what happened.

Just as the health crisis has proved stubborn and unpredictable, the turmoil in international commerce has gone on longer than many expected because shortages and delays in some products have made it impossible to make others.

At the same time, many companies had slashed their inventories in recent years, embracing lean production to cut costs and boost profits. That left minimal margin for error.

### Understand the Supply Chain Crisis

- **The Origins of the Crisis:** The pandemic created worldwide economic turmoil. We broke down how it happened.
- **Explaining the Shortages:** Why is this happening? When will it end? Here are some answers to your questions.
- **A New Normal?:** The chaos at ports, warehouses and retailers will probably persist through 2022, and perhaps even longer.
- **A Key Factor in Inflation:** In the U.S., inflation is hitting its highest level in decades. Supply chain issues play a big role.

A giant ship that became lodged in the Suez Canal this year, halting traffic on a vital waterway linking Europe to Asia for a week, added to the mayhem on the seas. So did a series of temporary coronavirus-related closures of key ports in China.

The world has gained a painful lesson in how interconnected economies are across vast distances, with delay and shortages in any one place rippling out nearly everywhere.

A shipping container that cannot be unloaded in Los Angeles because too many dockworkers are in quarantine is a container that cannot be loaded with soybeans in Iowa, leaving buyers in Indonesia waiting, and potentially triggering a shortage of animal feed in Southeast Asia.

An unexpected jump in orders for televisions in Canada or Japan exacerbates the shortage of computer chips, forcing auto manufacturers to slow production lines from South Korea to Germany to Brazil.

“There is no end in sight,” said Alan Holland, chief executive of Keelvar, a company based in Cork, Ireland, that makes software used to manage supply chains. “Everybody should be assuming we are going to have an extended period of disruptions.”

PP Control & Automation designs and builds systems for companies that make machinery for a wide range of industries. Credit...Mary Turner for The New York Times

In the West Midlands of England, Tony Hague has tired of trying to predict when the madness will end.

His company, PP Control & Automation, designs and builds systems for companies that make machinery used in a range of industries, from food processing to power generation. Demand for his products is expanding, and his roughly 240 employees have been working at full capacity. Still, he is contending with shortages.

One customer in England that makes machines to seal packaged food has been hobbled by its inability to secure needed parts. Its supplier in Japan used to take four to six weeks to deliver key devices; now it takes half a year. The Japanese factory has struggled to secure its own electrical components, most of them produced in Asia and using computer chips. Auto manufacturers' desperation to secure chips has made those components harder to obtain.

"It's definitely getting worse," Mr. Hague said. "It hasn't bottomed out yet."

For the global economy, shipping is at the center of the explanation for what has gone awry.

As Americans enduring lockdowns filled basements with treadmills and kitchens with mixers, they generated extra demand for Chinese-made factory goods. At the same time, millions of shipping containers — the building blocks of sea cargo — were scattered around the globe, used to deliver protective equipment like face masks.

The container shortages were exacerbated by delays in unloading cargo at American ports, because workers stayed home to slow the pandemic's spread.

## How the Supply Chain Crisis Unfolded

---

**The pandemic sparked the problem.** The highly intricate and interconnected global supply chain is in upheaval. Much of the crisis can be traced to the outbreak of Covid-19, which triggered an economic slowdown, mass layoffs and a halt to production. Here's what happened next:

**A reduction in shipping.** With fewer goods being made and fewer people with paychecks to spend at the start of the pandemic, manufacturers and shipping companies assumed that demand would drop sharply. But that proved to be a mistake, as demand for some items would surge.

**Demand for protective gear spiked.** In early 2020, the entire planet suddenly needed surgical masks and gowns. Most of these goods were made in China. As Chinese factories ramped up production, cargo vessels began delivering gear around the globe.

**Then, a shipping container shortage.** Shipping containers piled up in many parts of the world after they were emptied. The result was a shortage of containers in the one country that needed them the most: China, where factories would begin pumping out goods in record volumes

**Demand for durable goods increased.** The pandemic shifted Americans' spending from eating out and attending events to office furniture, electronics and kitchen appliances — mostly purchased online. The spending was also encouraged by government stimulus programs.

**Strained supply chains.** Factory goods swiftly overwhelmed U.S. ports. Swelling orders further outstripped the availability of shipping containers, and the cost of shipping a container from Shanghai to Los Angeles skyrocketed tenfold.

**Labor shortages.** Businesses across the economy, meanwhile, struggled to hire workers, including the truck drivers needed to haul cargo to warehouses. Even as employers resorted to lifting wages, labor shortages persisted, worsening the scarcity of goods.

**Component shortages.** Shortages of one thing turned into shortages of others. A dearth of computer chips, for example, forced major automakers to slash production, while even delaying the manufacture of medical devices.

**A lasting problem.** Businesses and consumers reacted to shortages by ordering earlier and extra, especially ahead of the holidays, but that has placed more strain on the system. These issues are a key factor in rising inflation and are likely to last through 2022 — if not longer.

Then, in late March, came the fiasco in the Suez Canal, the pathway for about 12 percent of the world's trade. With hundreds of other ships blocked, the impact played out for months.

In May, China shut down a huge container port near Shenzhen — one of the nation's leading industrial cities — after a small outbreak of a coronavirus variant. The port did not resume operations for several weeks.

Then, in the middle of August, Chinese authorities shut down a container terminal near the city of Ningbo after one employee tested positive. Ningbo is the world's third-largest container port, so its closure held the potential to snowball into a global event, even threatening the supply of goods to American stores in time for Black Friday sales around Thanksgiving.

By Wednesday, the Ningbo terminal was back in operation. But China's decision to close it because of a single Covid case resonated as a warning that the government might shut other ports.

Eric Poses has seen international shipping costs for his board games soar, from \$6,000 to \$7,000 before the pandemic to \$26,000 now, and they are expected to go even higher. Credit... Scott McIntyre for The New York Times

In Miami Beach, Eric Poses, an inventor of board games, developed a product aptly named for the pandemic: The Worst-Case Scenario Card Game, a title that could also be applied to his experience relying on China to make and ship the product.

Before the pandemic, shipping a 40-foot container of games from Shanghai to the warehouse he uses in Michigan cost \$6,000 to \$7,000, Mr. Poses said. His next shipment, scheduled to leave China in mid-September, will cost at least \$26,000. And his freight agent warned him that the price will most likely rise, to \$35,000, because of rail and trucking difficulties in the United States.

Cheap and reliable sea transport has long been a foundational part of international trade, allowing manufacturers to shift production far and wide in search of low-wage labor and cheap materials.

Columbia Sportswear has typified the trend, expanding from its base in Portland, Ore., to become a global outdoor gear brand. The company has relied on factories in Asia to make its goods and taken the ocean cargo network for granted.

"It's sort of like, every day when you get up in the morning, you turn on the lights and the lights always work," said Timothy Boyle, Columbia's chief executive.

But the price of moving goods to the United States from Asia is up as much as tenfold since the beginning of the pandemic, and Columbia might have to reconsider its traditional mode.

"It's a question of how long this lasts," Mr. Boyle said.

# Two Key Global Shortages That Could Spell Disaster For 2022



This was supposed to be the year that things "got back to normal", but here we are at the end of January and things have only gotten worse. As we move forward into February and beyond, there are two key global shortages that we are going to want to keep a very close eye on.

One of them is the rapidly growing fertilizer shortage. A few days ago, the Wall Street Journal ominously warned that "high fertilizer prices are weighing on farmers across the developing

world"...

From South America's avocado, corn and coffee farms to Southeast Asia's plantations of coconuts and oil palms, high fertilizer prices are weighing on farmers across the developing world, making it much costlier to cultivate and forcing many to cut back on production.

That means grocery bills could go up even more in 2022, following a year in which global food prices rose to decade highs. An uptick would exacerbate hunger--already acute in some parts of the world because of pandemic-linked job losses--and thwart efforts by politicians and central bankers to subdue inflation.

According to the International Fertilizer Development Center, exceedingly high fertilizer prices could result in a reduction of agricultural output in Africa alone "equivalent to the food needs of 100 million people".

So this is a really, really big deal.

And this crisis is going to deeply affect us here in the United States too. The following comes from a recent piece authored by U.S. Senator Roger Marshall...

It's no secret farmers are faced with a fertilizer crisis. Prices for phosphorus-based and potassium-based (potash) fertilizers have more than doubled in Kansas while Nitrogen-based fertilizers have more than quadrupled. Fertilizer is vital to feeding not only the country, but the world. It contains essential nutrients for plant life, and without it, American agricultural yields will quickly suffer as well as food prices in local grocery stores.

As I discussed the other day, these crazy prices for fertilizer are going to make it impossible for many U.S. farmers to profitably plant crops this year.

That means that a lot less food is going to be grown.

On the other side of the world, the North Korean government is asking their citizens to start creating "homemade" fertilizer from their own waste...

State-run media has also been encouraging people to make "homemade" manure, The Daily Beast reported. A source in North Hamgyong Province told Daily NK that residents had started "producing fertilizer from human waste" after authorities launched a 10-day drive to increase production.

The other major shortage that I want to highlight in this article is the ongoing computer chip shortage.

According to a report that was just put out by the Department of Commerce, chip inventories around the nation have become dangerously thin...

Today, the U.S. Department of Commerce released the results from the Risks in the Semiconductor Supply Chain Request for Information (RFI) issued in Sept. 2021. Key findings from the report provided data-driven information about the depths of the semiconductor shortage and underscored the need for the President's proposed \$52 billion in domestic semiconductor production.

The RFI showed that median inventory held by chips consumers (including automakers or medical device manufacturers, as examples) has fallen from 40 days in 2019 to less than 5 days in 2021. If a COVID outbreak, a natural disaster, or political instability disrupts a foreign semiconductor facility for even just a few weeks, it has the potential to shut down a manufacturing facility in the U.S., putting American workers and their families at risk.

At this point, computer chips used to produce automobiles and medical devices are particularly in short supply.

In a blog post, Commerce Secretary Gina Raimondo explained that a lack of chips resulted in "\$210 billion in lost revenue" for automakers in 2021...

"In 2021, auto prices drove one-third of all inflation, primarily because we don't have enough chips," Raimondo wrote in her blogpost. "Automakers produced nearly 8 million fewer cars last year than expected, which some analysts believe resulted in more than \$210 billion in lost revenue."

If there is additional disruption to chip production this year, 2022 could easily be even worse.

Many may wonder why we just don't plop down a bunch of factories and start pumping out more chips.

Unfortunately, it isn't that easy. Chip factories take a very long time to build, and we are being warned that it could take "until 2023" before things return to normal...

But industry executives aren't optimistic that the funding would help alleviate the crisis, the Washington Post reported. They argued federal funding could help build up the long-term supply of chips but wouldn't help in the short term because chip factories take years to build.

Chip consumers that were surveyed by the department similarly estimated that shortages wouldn't go away in the next six months, and some suggested it could take until 2023.

We should have never become so dependent on chip production in Asia.

Today, Taiwan accounts for a whopping 63 percent of all computer chip production in the world...

The majority of chip factories are currently based in Asia, which houses about 87% of the market share of semiconductor factories (with Taiwan alone accounting for some 63%), separate industry data indicates. The political climate in the region, and tensions between Taiwan and China, has come under renewed scrutiny as the shortage has exposed how much U.S. industry relies on these sources.

So what is going to happen to our economy if China invades Taiwan and our main supply of computer chips gets completely cut off?

I have been warning for years that military conflict with China is coming, and now we are closer than ever.

What is our economy going to look like if a Chinese invasion of Taiwan this year instantly puts us into a state of war with the Chinese?

How in the world will we even be able to function as a society?

You might want to start thinking about such questions, because what was once "unimaginable" threatens to become reality in 2022.