



# Challenges Facing Trade and Supply Chains



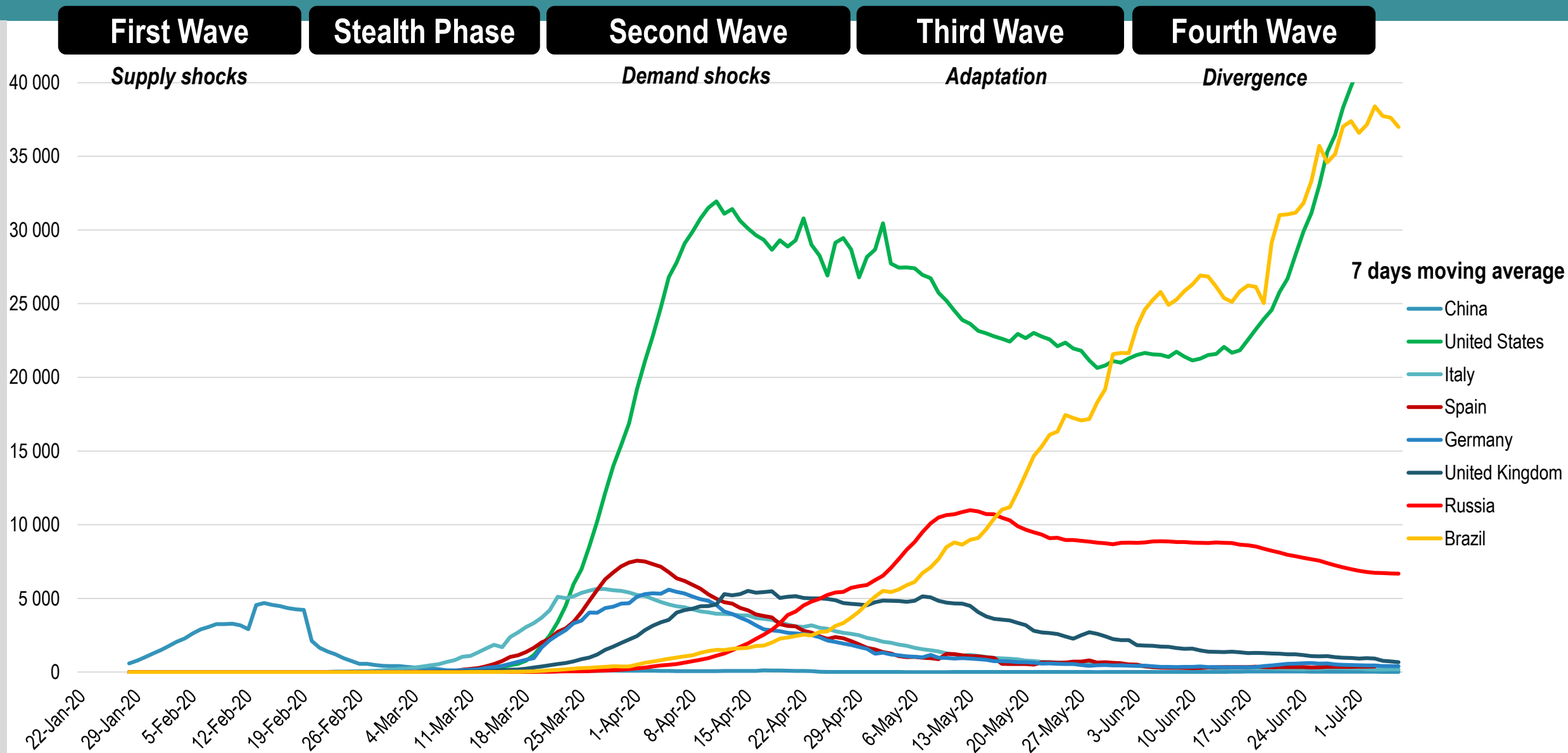
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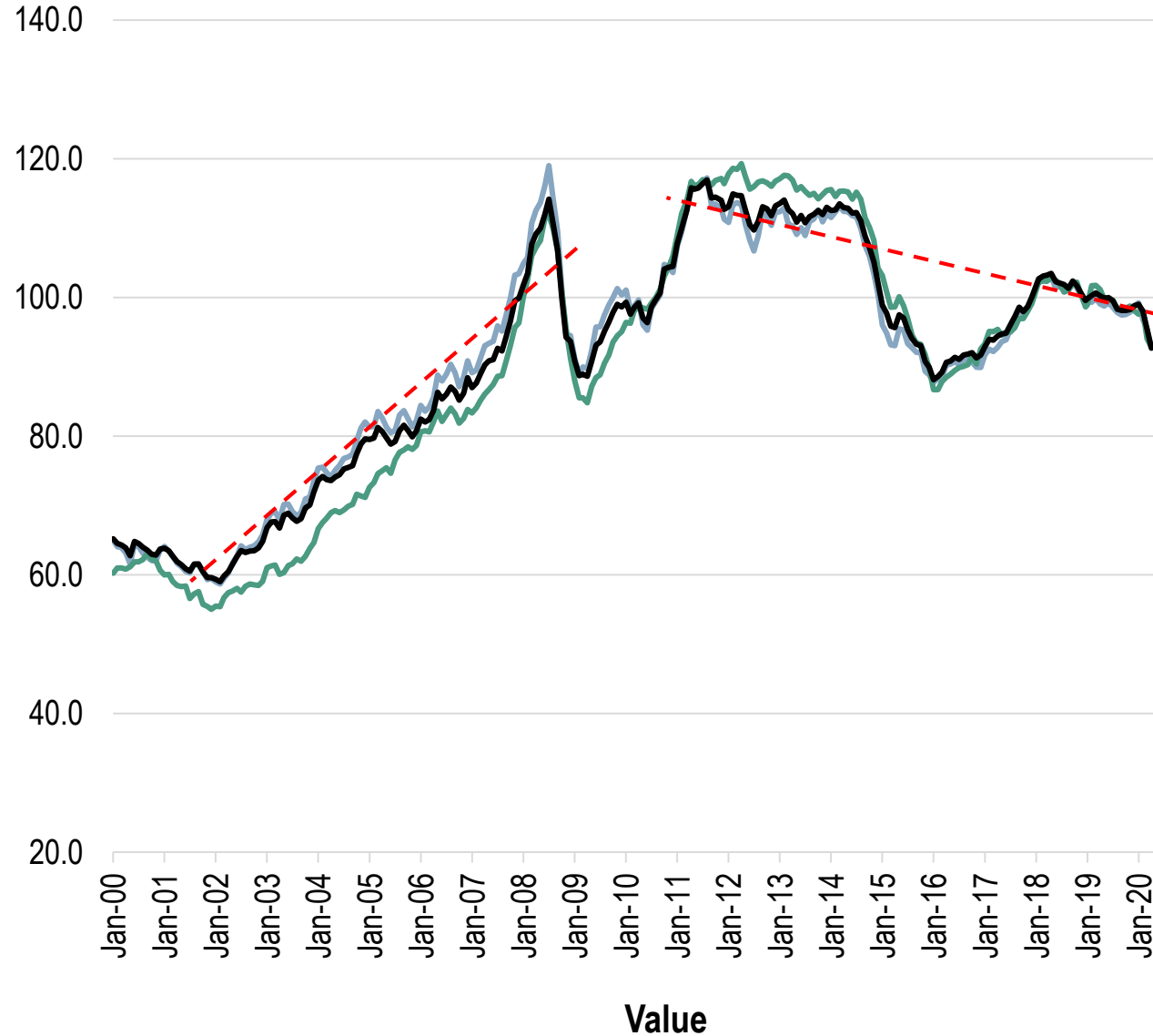
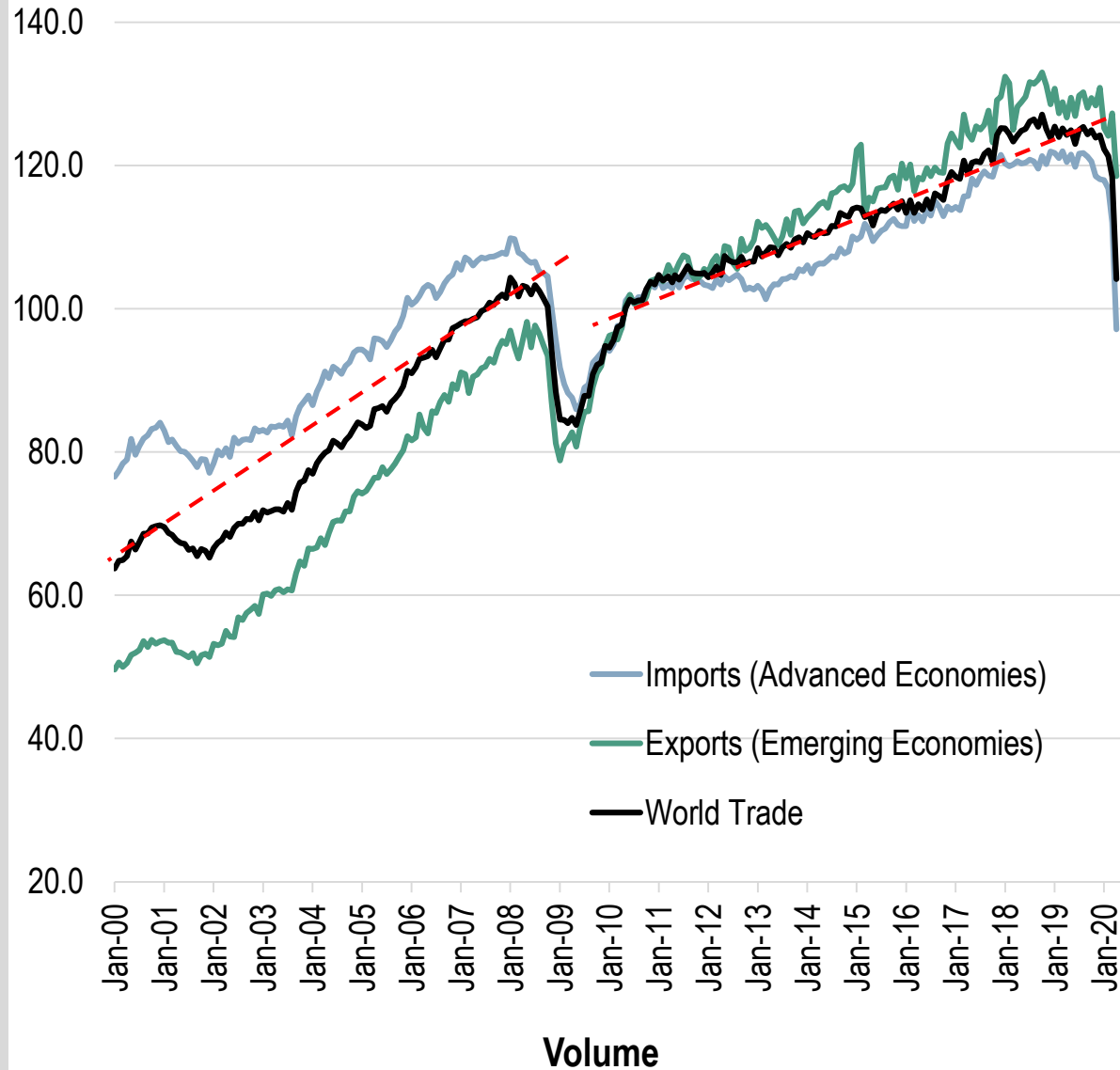
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# Coronavirus (COVID-19) Reported Daily New Cases, 2020 (as of July 6)



# CPB World Trade Index by Volume and Value, 2000-2020 (2010=100)



# Challenges Facing Trade and Supply Chains

A crisis does not create a new situation, it accelerates processes already taking place by exposing their weaknesses



1

Rebalancing supply chains



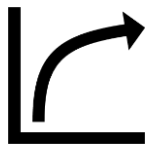
2

Supply chain resilience, propagation and backpropagation



3

The fine line between abundance and scarcity (repricing)



4

The “great reset” and peak globalization

# Rebalancing Processes, Labor and Locations

## High automation potential (>50%)

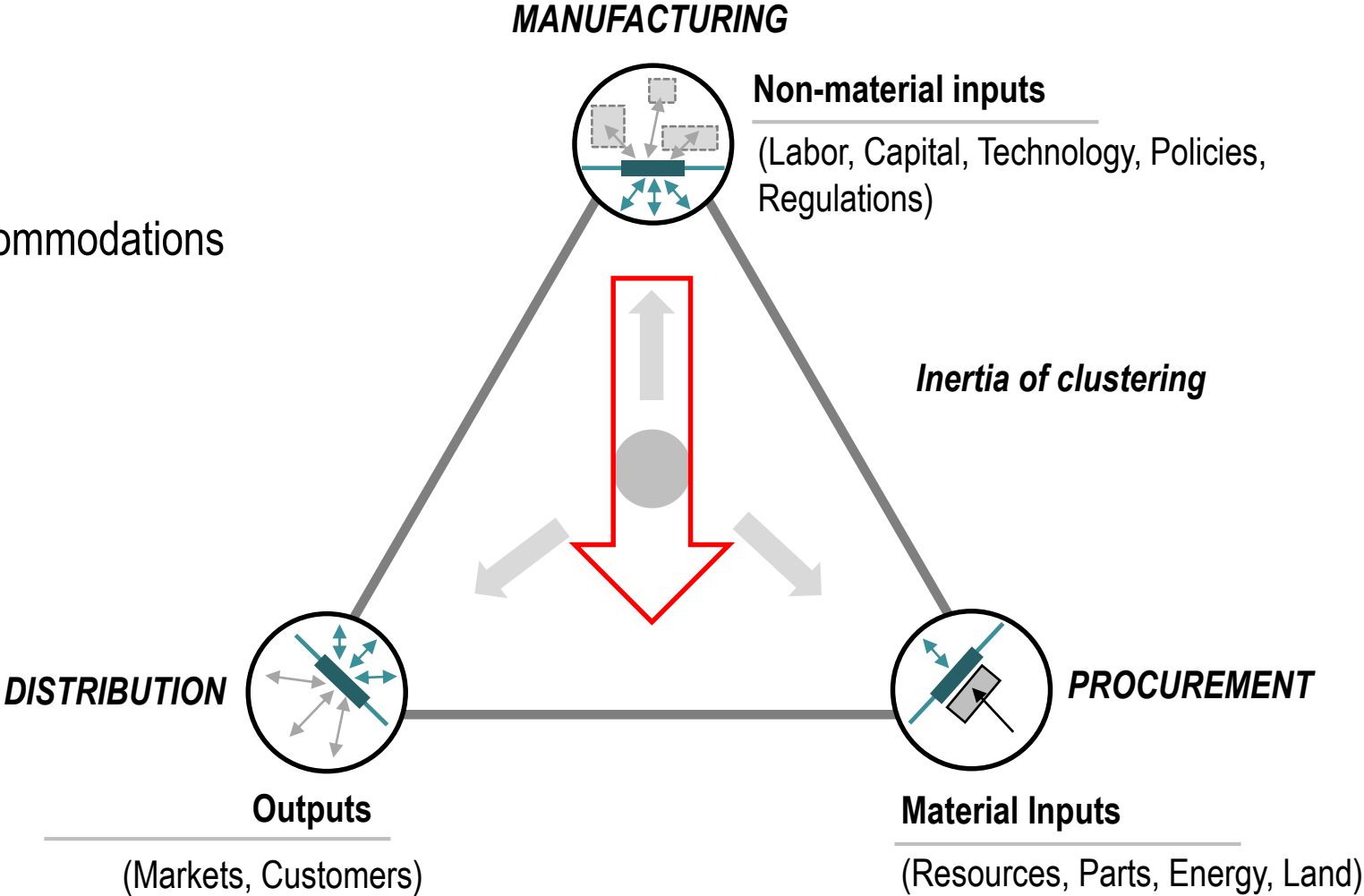


Manufacturing  
Food service and accommodations  
Retail and distribution

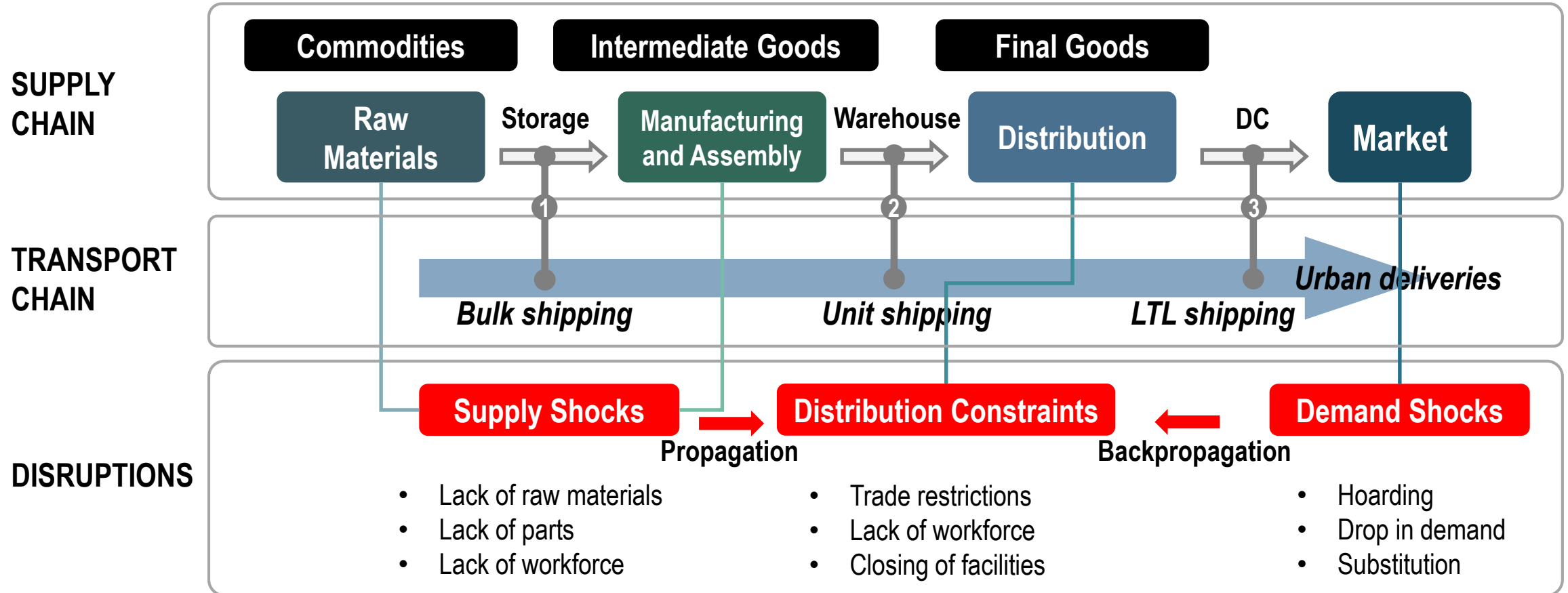
## Low automation potential (<30%)



Education  
Healthcare  
Management

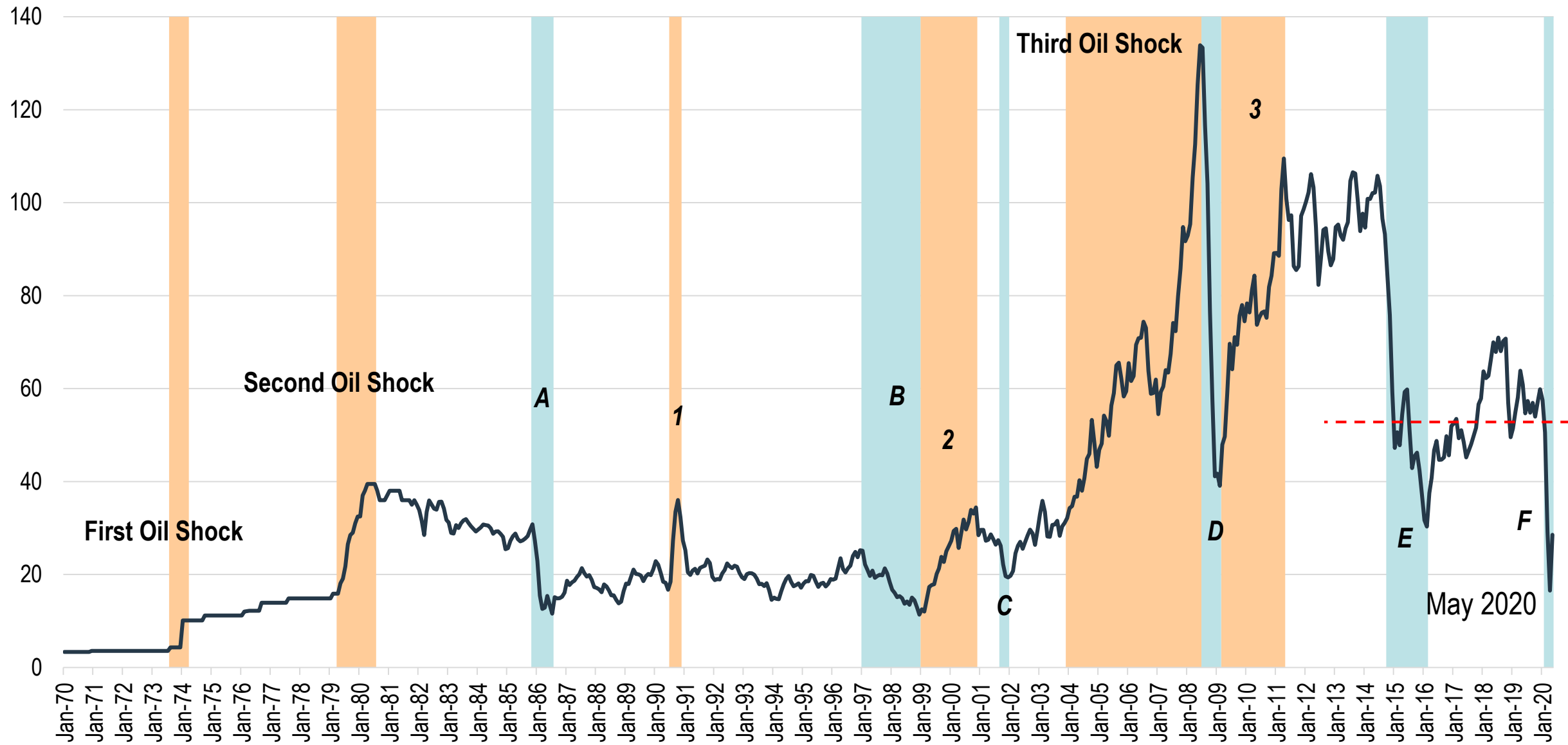


# Impacts of Disruptions on Supply Chains



*Adjustments in supply, demand and distribution*

# West Texas Intermediate, Monthly Nominal Spot Oil Price (1970-2020)



# The Post-Covid Great Reset



## Workforce

Organizational restructuring.  
Telework.



## Cascading Defaults

Debt chains (e.g. real estate)



## Service Sector

Service economies highly  
vulnerable.



## Scale Effect

Small-sized businesses more  
vulnerable. New nimble  
ventures.



## Discretionary Demand

Retail, travel and restaurant the  
most vulnerable.



## Substitution

E-commerce and automation

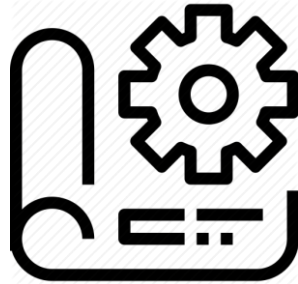


# Conclusion: Peak Globalization?

## Integration



## Production



## Transportation



## Transactions



### PRE-COVID

- Regulatory chains.
- Harmonization of regulatory regimes.
- Trade agreements.

- Supply / value chains.
- Offshoring.
- Global production networks.

- Transport chains.
- Containerization.
- Transborder transportation.

- Information chains (ICT).
- Investment capital.
- Credit for transactions.

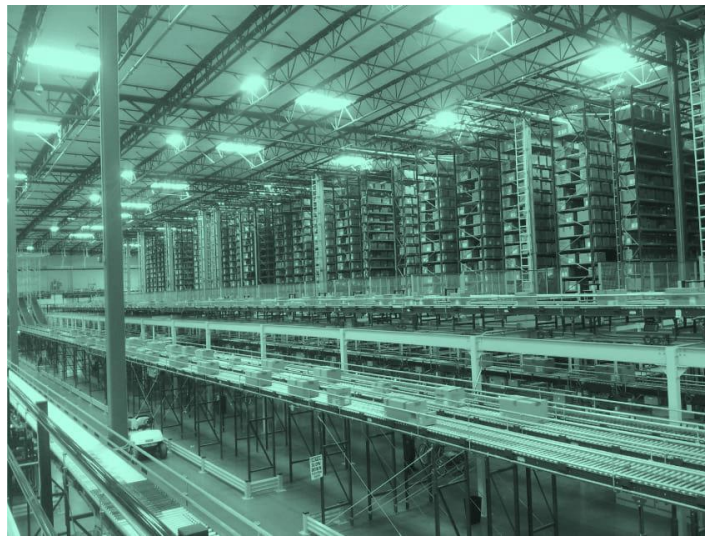
### POST-COVID

- Loss of trust in transnational institutions.
- Loss of trust in China.
- Protectionism.

- Automation and re-shoring.
- Supply chain specific vulnerability assessments.

- Decline in transport flows.
- Growth of e-commerce.

- Strong deflationary trends.
- Repricing of commodity prices.



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# Thank you for your attention!

For more information: <https://transportgeography.org/>