Shanghai Covid Lockdowns Devastate U.S. Medical Imaging Supply

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A coronavirus lockdown of a production plant in Shanghai, China, has caused a shortage of medical dye that is affecting hospitals in the U.S. and around the world.

Reuters paraphrased a spokesman for General Electric (GE) Healthcare as saying that "the weeks-long outage at the company's Shanghai production plant due to the city's COVID-19 [Chinese coronavirus] lockdown is not only affecting U.S. hospitals but also other world regions it did not specify, though to a less [sic] extent."

Some of America's biggest hospitals last week braced themselves for major shortages of medical dye that is needed in imaging technology and is normally sourced from GE Healthcare's Shanghai factory.

In response, the GE subsidiary has pressed its plant in Ireland to ramp up its output of medical dye agents, sending the products to hospitals faster through expedited freight shipments.

"We are working around the clock to expand capacity of our iodinated contrast media products, including drawing on our global manufacturing network," GE Healthcare said through a spokesman.

On May 11, an association of German hospitals told Reuters that "one of its members had been alerted by the GE unit [in Shanghai] that its contrast agent could go out of stock in June, citing the Shanghai outage."

The association stated that it was "uncertain whether diagnostics procedures would have to be canceled or to what degree the affected hospital could draw on inventories."

Hospitals are reeling from the interruption in production, although the Shanghai facility has now reopened after a month-long closure prompted by the city's lockdown that began April 5. Yet local health officials have still not allowed the factory to return to full capacity due to the Chinese Communist Party's (CCP) Covid policies. Thus, the dye shortages are forecast to continue.

On April 19, GE Healthcare issued a letter to customers in which it announced that it was "rationing orders for its iohexol products after a COVID-19 [Chinese coronavirus] lockdown temporarily shut down its production facility for iodinated contrast media in Shanghai, China."

China's coronavirus lockdowns have had effects on global supply chains that have been felt in other ways as well. Supplies of sneakers from brands like Adidas have fallen, and car manufacturers from Toyota to Tesla are struggling with obstacles in production.

Bloomberg notes the effect the lockdowns have had on the footwear and apparel industries:

> The Southeast Asian nation is the second-largest supplier of clothes and shoes to the U.S., according to the American Apparel & Footwear Association, which represents more than 1,000 brands.
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> China's Covid Zero strategy is "dramatically" reducing key material at shoe factories, which derive about 60% of supplies from China, said Phan Thi Thanh Xuan, vice chairwoman of the Vietnam Leather Footwear and Handbag Association. Adidas SE this month cut its profit targets, saying supply bottlenecks in Vietnam have reduced the availability of products, eroding sales.

On the other end of the supply spectrum, automobile production is still reeling:

> Tesla Inc.'s plant in Shanghai has been plagued by disruptions, closing down for three weeks last month. It started up again in late April under a so-called closed loop system in which workers live on site and are tested regularly. But with Shanghai largely remaining in lockdown, there are still challenges for the delivery of supplies and materials.
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> The factory, which typically shipped around 60,000 cars a month, delivered only 1,512 vehicles out of Shanghai last month.
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> Toyota, meanwhile, is wrestling with an "unprecedented" rise in costs for logistics and raw materials, causing it to forecast a 20% decline in operating profit for the current fiscal year.

And according to Apple CFO Luca Maestri, lockdowns and chip shortages will slash up to $8 billion from Apple's revenue this quarter.

These events have led to murmurings that firms may begin looking to move their production out of China to hedge against the tenuous situation in the communist nation.

The current situation also underscores the arguments that have long been made by proponents of America First economics against the "free trade" dogma of the globalist establishment.

Allowing key production capability to transfer from the U.S. to the rival state of Communist China may have been good for the bottom lines of multinational corporations in the short term. But the long-term effects are now being felt, as our medical, automotive, and other sectors are suffering at the whim of a state that openly detests us.