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Randolph manufacturers face material shortages, price hikes due to global supply chain issues

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Manufacturers around the country have been facing raw material shortages and price hikes throughout the pandemic. Randolph County's manufacturers are no exception.

According to Phil Mintz with the North Carolina Manufacturing Extension Partnership, it all traces back to problems in the global supply chain brought on by COVID-19.

"It all traces back to our global supply chain pretty much still struggling with importing from countries who still are struggling with COVID and can't really operate at the same speed they had pre-pandemic," he explained.

Offshoring production for some materials has left the U.S. without the capability to produce as much locally, he added, compounding the problem.

As manufacturers have tried to shift towards local sourcing to alleviate the shortages, Mintz said he has spoken with some Randolph County companies who have said they can't even get supplies from within the U.S. because their vendors can't get the supplies to pass them on.

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"There's a lot of different factors involved in it but it is pretty widespread across all industries," he added.

Wilson Troup, CEO of Sedia Systems, a lecture hall and auditorium furniture manufacturer with facilities in Asheboro, said his company was facing some supply shortages from the Houston ice storm and the pandemic. Though those shortages have started to ease up, Troup said Sedia Systems is now paying well above normal prices for supplies due to high demand.

Again, Mintz said this is widespread.

"(It's) everything, wood, steel, plastic, and those are all of our components. All of those became more scarce and more expensive," Troup said.

Sedia Systems is seeing smaller price increases for some materials like plastic, but prices for other materials have risen 30 to 50%.

"Pretty much across the board there's at least single digit increases," Troup explained.

Like other manufacturers, Sedia Systems looked at local suppliers to help with shortages and price hikes, which Troup said were already in the mix for the company.

Without relief in that area, Troup said the company looked at switching material or product design. Ultimately, they decided to raise the price for many of their products to keep up with the supply price hikes.

Troup also added that the labor shortage is compounding the issues for manufacturers like him.

"Even if the raw material was available, a supply chain did not have enough labor to produce the product or the components and everything is just kind of getting caught up now," he said.

Mintz said he believes manufacturing industry will continue to see these problems until the pandemic is under control, but there is no right answer as to when manufacturers will get some relief.

"I think everybody is doing whatever they can. I mean, you know it's that type of a situation (that) really brought out some of the vulnerabilities of our supply chain across the country," he said.

His advice: consider sourcing locally.

"Even if it costs a few pennies more sometimes to buy local supply, those (global) supply chains can be disrupted at a moment's notice and then you may not really have a backup plan," he explained.

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