

An omicron outbreak in China is sending jitters through supply chains as manufacturers and shippers brace for disruption inside the world's-biggest trading nation if it can't contain the fast-spreading variant, [Bloomberg](#) reports.

In 2020 and 2021, China's 'covid-zero' strategy meant factories could stay open throughout the pandemic to produce everything from health equipment to laptops that global consumers hoovered up at a record pace. But there's been [confirmed cases](#) of local infection everyday since mid-October and it's likely even tougher restrictions will be needed to curb omicron's spread, with knock-on consequences for ports and factories as more cities lock down.

So far China's not facing the problems seen elsewhere like shortages of some foods in Australia or Japan, or an estimated 5 million workers staying home sick in the U.S. last week. But with an end to 'covid-zero' unlikely as China prepares to host the Winter Olympics next month and a series of political events later in the year, policy makers have to decide how much to increase restrictions, and consider how that will hit an already slowing economy and global trade.

"The reality is that China remains the center of global manufacturing," said Thomas O'Connor, a supply chain expert at Gartner Inc. in Sydney. "If there was significant manufacturing or logistic shutdowns in China associated with covid-related challenges, that would have a massive impact on the global economic environment."

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