The anticipated risks and impact of the coronavirus outbreak on the supply chain industry cannot be overestimated.

Legal questions are of particular relevance to companies with supply chain-focused issues. Both manufacturers and distributors need to know if force majeure clauses are enforceable. Many are asking how to defend contract performance without force majeure clauses as well as understanding the scope.

Understanding the impact of take-or-pay or non-cancellation clauses for excusal of contract performance is vital. Additionally, the impact of price-adjustment contract formulas on excusal of contract performance change daily.

Several manufacturers need to know what circumstances constitutes impracticability of performance under UCC Article 2 and when do the contract doctrines of frustration of purpose or impossibility of performance apply.

Buyers’ remedies for non-performance if force majeure or impracticability applies, need to be known as well as sellers’ remedies.

Supply chain professionals must closely monitor leading health authorities, worldwide economic markets, global and national governments as well as business advisors, agency directives, community impact to be aware and armed with knowledge.

Author Profile

Thomas R. Cutler is the founder of the 7000+ member Manufacturing Media Consortium and CEO of TR Cutler, Inc.