Here is Your Supply Chain Bulletin

April 2022

There does not appear to be any improvement in the electronics supply chain thus far in 2022. Many of the same, well-documented issues still exist, including capacity constraints, factory backlogs, logistic difficulties, increased costs, raw material shortages, factor fires, energy crises, natural weather phenomena and trade wars having all played their part over the last 24 months in shaping the world we live in today.

Now we add the Russian invasion of Ukraine to the list. EDN magazine has the following article regarding the potential impact of the invasion on chip manufacturing:

Ukraine war and neon gas supply disruption for chip manufacturing - EDN

Capacity and lead-time issues

- Manufacturers are still decommitting from confirmed dates due to supply chain issues, most of these decommits are late in the day and beyond anyone's reasonable control.
- Semiconductor lead-times are extended in almost every example, and we are regularly observing 52-week lead-times as standard.
- Extended reschedule and cancellation windows have been set on many NCNR products.
  - For ST Micro until 6-30-2022
  - For On Semi until 12-31-2022
  - Nexperia has a 90-day window for reschedules and cancellations
- Manufacturers are not allowing expedites until orders are late to their quoted lead-times… if we are working to a 52-week lead-time, the order cannot be progressed until week 53 from order placement.
- TI lead-times are still lengthy with no improvements seen or forecast for the next quarter at least.

Pricing Uncertainty

- Prices are continuing to rise throughout the supply chain and are being applied to all product from packaging to components, to extraordinary freight charges, and are being applied to new orders as well as order backlog. Raw material costs, shipping costs, production cost increases and energy increases are all equally contributing to these increases.

- Copper pricing is affecting the price of cables, PCB's, and other technologies heavily reliant upon the commodity.
- Some manufacturers are applying quarterly increases, and these increases in some instances are as much as 20% on existing costs and price agreements.

WE ARE HERE TO HELP.

During times like this, it is highly recommended to extend order coverage as much as possible to identify supply chain issues early on, when mitigation is still possible.

We may recommend changes in purchasing volumes and forecasts to mitigate risk.

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