Milwaukee Electronics
MANUFACTURING EXPERTS SINCE 1954

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Providing Complete Visibility to Customers a Top Priority in Supply Chain Management

Material continues to be a major challenge with no relief in sight. Lead-time and allocation situations on widespread commodity items is ongoing. MLCC's (multi-layer Ceramic Chip) capacitors are still extremely constrained and has spread to nearly all case sizes. The MLCC constraint is currently expected to last until at least mid-2020.

Diodes/transistors/resistors/mosfets all continue to have extended lead-times and in some cases, allocation. Providing complete visibility is still the most important factor in getting component supply chain established and obtaining allocations of constrained products.

Tariff Summary:

As we write this, tariffs are impacting many of the raw materials we procure in China. While we have no choice but to pass along any costs related to tariffs charged by our suppliers, we are actively working to mitigate those costs where possible. Specific examples of our efforts are listed below.

Tariff Summary:

- We are working with suppliers to bring products directly from overseas into either our Mexico facility or into their Mexico warehouse (if they have one) to avoid the US tariff completely. This option is only viable for product being manufactured in our Mexico facility
- For commodity product coming to our US locations, we do not have many options available to us, but we have options on custom products. For these products we are doing the following analysis:
- In cases where we are buying domestically but our source is building in China, we are having them compare costs to determine if their offshore solution is still the most cost effective
- For cases where we are buying offshore direct, we are quoting alternate sources both domestically and where possible alternate non-China offshore sources

We will continue to monitor this situation and look for options to reduce or mitigate tariffs wherever possible.