December 2022 Electronic Components Sales Sentiment Delivers Encouraging Turnaround to End 2022 and Begin 2023

ECIA's Electronic Component Sales Trend (ECST) December 2022 Survey Results

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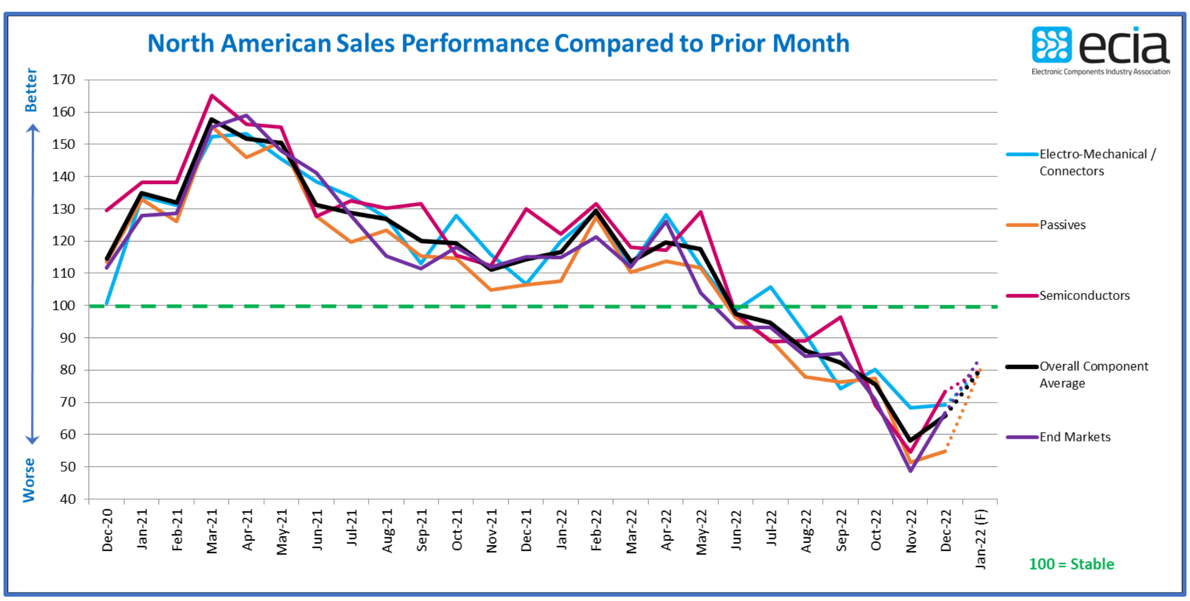
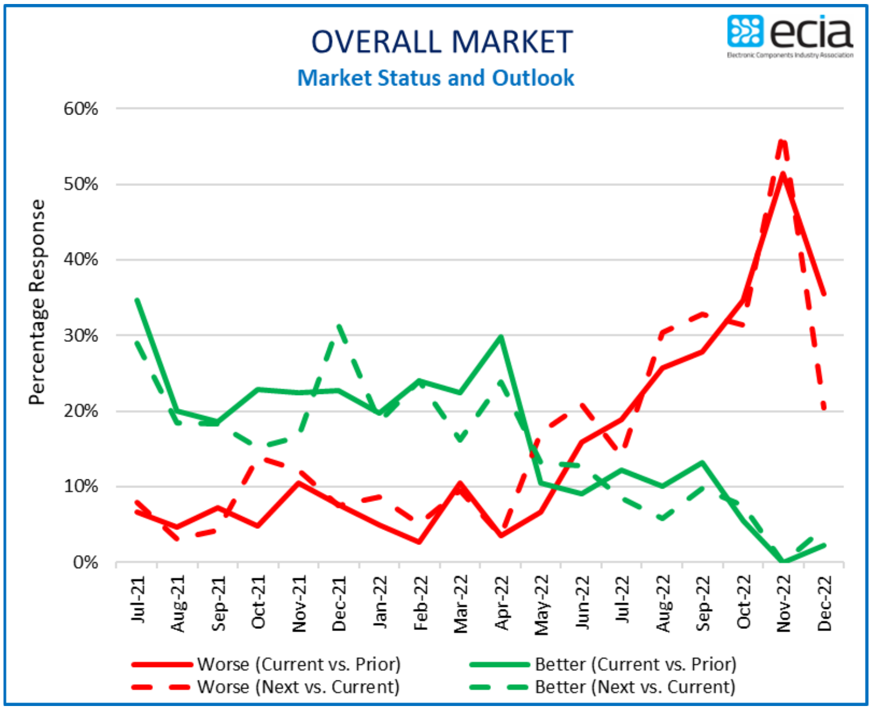
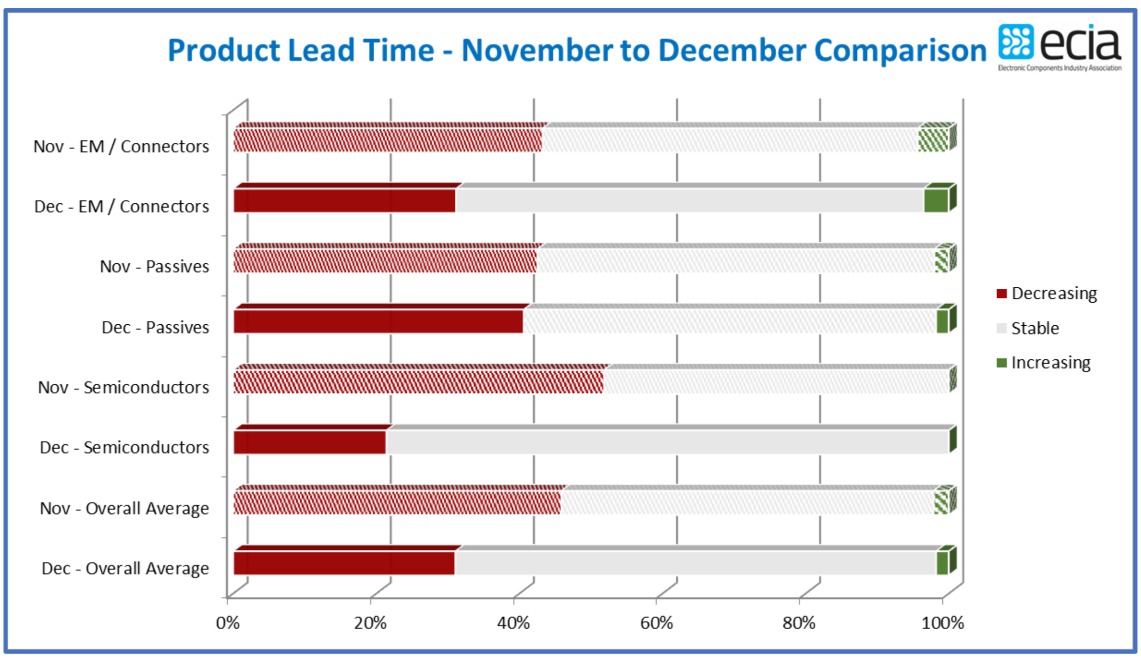
The holidays delivered good news for the electronic components industry as the overall electronic component average sales sentiment rebounded by 7.7 points following the discouraging November average of 58.1. With the year-end rebound to a component index average of 65.8 the continual downward trend of the past 20 months appears to have hit bottom. The relatively encouraging news extends into January of the new year with an index outlook of 80.0. Semiconductor components scored the strongest rebound in December as it jumped by nearly 19 points to 73.3 Passive components are expected to see a major improvement in January with a rebound of 25. points to 80.2. The Electro-Mechanical/Connectors index predicts a jump in January up to 79.8. Looking toward January, the three major component index averages group closely around 80.

The Overall End-Market index makes two large leaps in December and the January outlook with a pick-up of 18.1 and 17.4, respectively. This brings the End-Market index for January to 84.1, a dramatic turnaround from the depressing level of 48.6 in November. Most of the individual end-market measures report a healthy turnaround with Avionics/Military/Space strengthening its index measure above 100. All other end-markets continue solidly below the threshold of 100. While the turnaround in index measures is positive news it should be remembered that any measure below 100 indicates declining month-to-month sales sentiment. Manufacturers replaced Manufacturer Representatives in reporting the strongest negative sentiment in all components sectors by a wide margin in December and January. On the other hand, Distributor sentiment in both months is significantly above average. The overall assessment of the Electronics Component sentiment shows the market pulling out of the depths of depression but still experiencing an extended period of declining month-to-month sales.





The reported product lead time trends continue to point to decreasing lead times with stable lead time pressure dominating most reports at an overall average of 67% in December. Increasing lead time averages now come in at an insignificant level of 2%. The hope is that this improving trend can be sustained as the industry moves through 2023.



The ECST survey provides highly valuable and detailed visibility on industry expectations in the near-term through the monthly and quarterly surveys. This "immediate" perspective is helpful to participants up and down the electronics components supply chain. In the long-term, ECIA shares in the optimism for the future as the continued introduction and market adoption of exciting innovative technologies should motivate both corporate and consumer demand for next-generation products over the long term.

The complete ECIA Electronic Component Sales Trends (ECST) Report is delivered to all ECIA members as well as others who participate in the survey. All participants in the electronics component supply chain are invited and encouraged to participate in the report so they can see the highly valuable insights provided by the ECST report. The return on a small investment of time is enormous!

The monthly and quarterly ECST reports present data in detailed tables and figures with multiple perspectives and covering current sales expectations, sales outlook, product cancellations, product decommits and product lead times. The data is presented at a detailed level for six major electronic component categories, six semiconductor subcategories and eight end markets. Also, survey results are segmented by aggregated responses from manufacturers, distributors, and manufacturer representatives.