

## **Coronavirus Survey – Update 3**

### **Results of Manufacturer & Distributor Survey Ended Mar 20, 2020**

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#### **Introduction**

With the spread of the Coronavirus / COVID-19 around the world there is a need to provide visibility on how this crisis is impacting the electronics components industry and the supply chain. (See Figure 1) In order to provide important visibility, ECIA has been conducting surveys of member manufacturing and distributor companies to gain an understanding of this fluid situation. ECIA published the results of the first survey which ended February 7, 2020 in a report released on February 11<sup>th</sup>. This was followed by two more surveys that concluded February 21, 2020 and March 6, 2020.

This most recent survey was conducted between Monday, March 16<sup>th</sup> and Friday, March 20<sup>th</sup>. Despite the exponential growth of Coronavirus around the world, this survey shows a major jump in positive expectations regarding the impact on the ability of companies to supply customers on time. There is a large shift toward “no impact” and “minimal impact” in all three component segments with the largest share of responses falling in these categories.

The complete results for this fourth survey are presented in this report update.

The spread of the virus is truly global at this point and the impact has pushed financial markets into dramatic declines and volatility. The attempts by governments to combat this pandemic has resulted in orders for quarantines and business closures that is forecast to push major economies around the world into recession. Due to the evolving nature of this pandemic, two more questions were added to the most recent survey to gauge the impact of this crisis on end-market demand and different stages of the supply chain.

ECIA plans to conduct a fifth survey at an appropriate time depending on continued developments. It is hoped that progress will be made in fighting the virus in the meantime. ECIA members are encouraged to support this survey in order to enhance industry understanding of impact of the Coronavirus / COVID-19 on the electronics components supply chain.

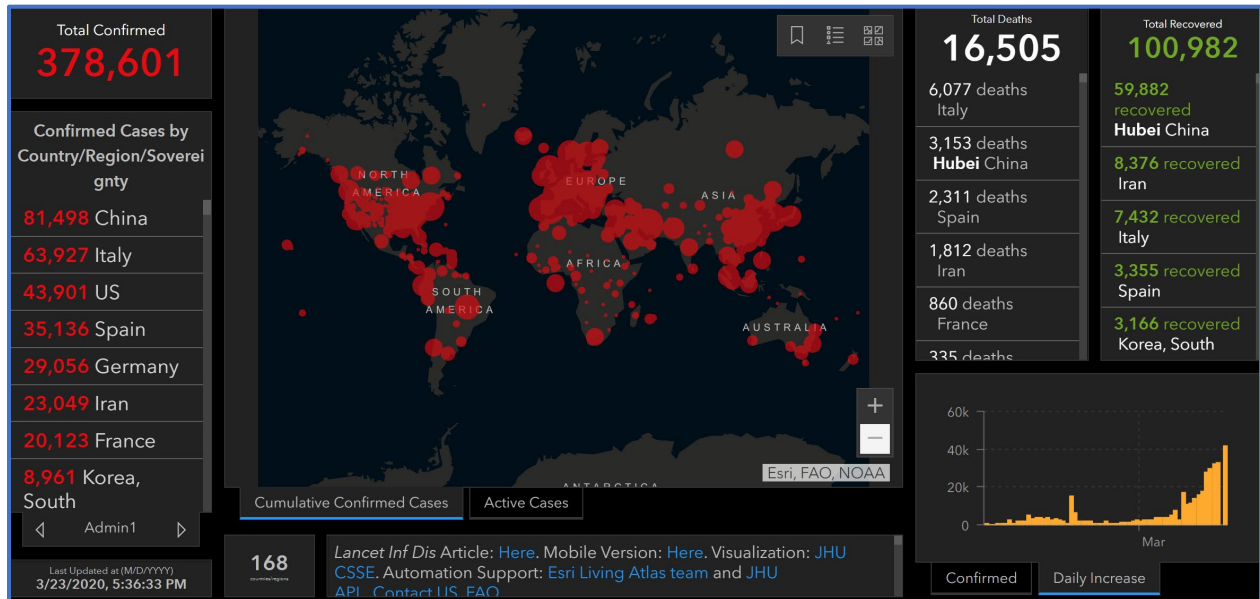
Detailed data by component type is provided for the major categories of:

- Electro-Mechanical
- Passives
- Semiconductors

A top-level average of each of these categories is provided in the overview at the beginning of the report.

**Figure 1 – Wuhan Coronavirus (2019-nCoV) Global Cases**

The following link provides access to this application that provides live updates on the spread of the Coronavirus - [“Wuhan Coronavirus \(2019-nCoV\) Global Cases”](#)

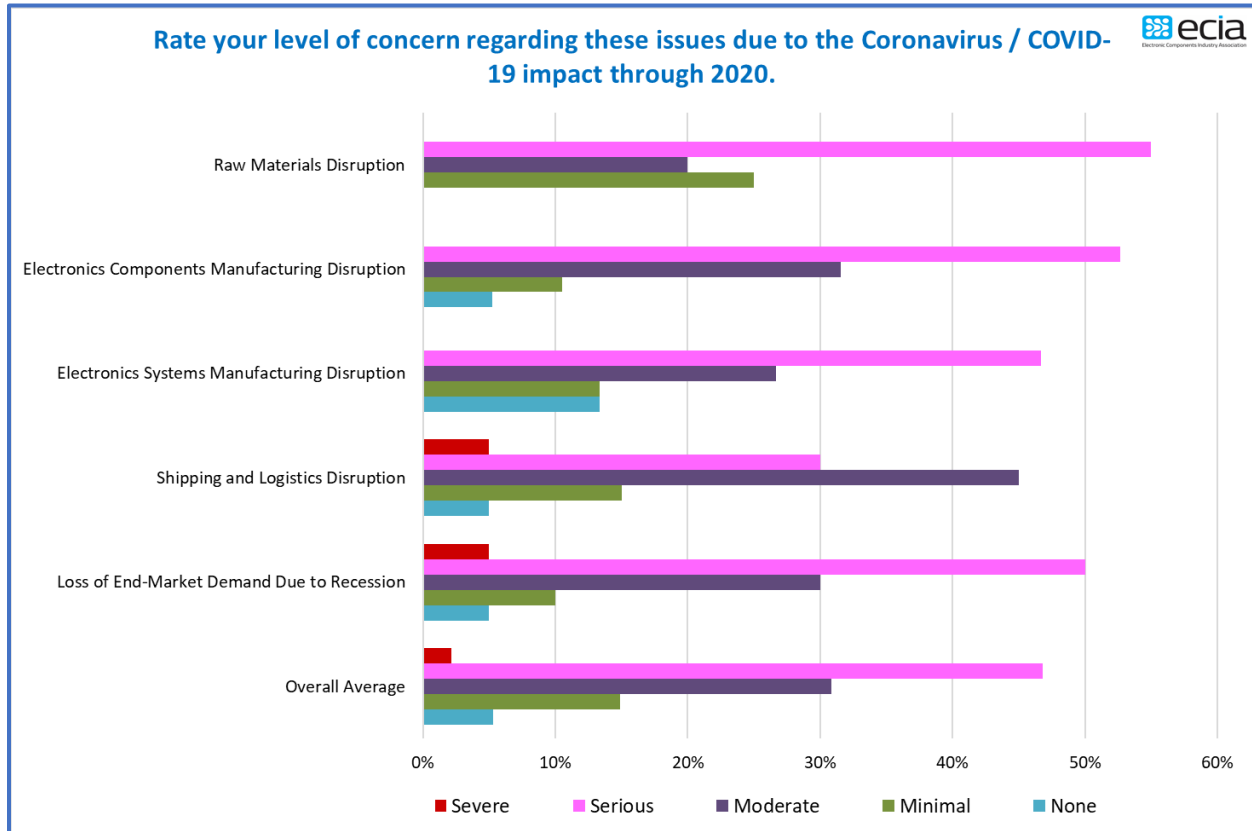


**Market and Supply Chain Impact**

The results of the latest survey reveal the expectations of most participants that every end-market, with two exceptions, will experience moderate declines in 2020. Not surprisingly, the medical markets are expected to see a moderate increase. The Defense / Aerospace sector will be relatively unaffected according to the survey.

Survey results show that strong concern exists at every stage of the electronics components supply chain. The lowest level of concern is related to “Shipping and Logistics” with most expecting only a moderate disruption. On average, only 5 percent expect no disruption and 15% expect only a minimal disruption.

**Figure 2 – Supply Chain Issues**



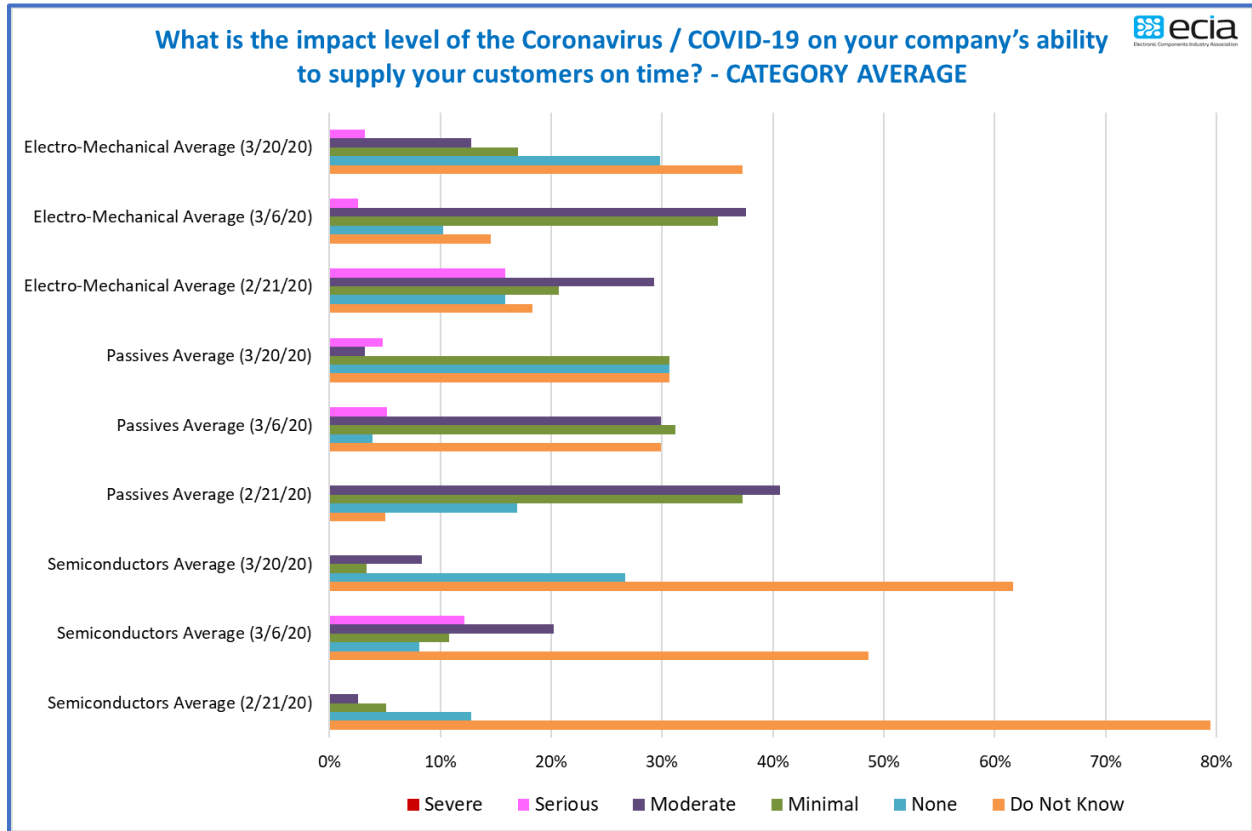
Source: ECIA

### Top Level Averages

Even though the industry has previous experience with the disruptive SARS epidemic, the regional distribution of electronics production and structure of supply chains has changed significantly in the intervening years. Despite the exponential growth of Coronavirus around the world, this survey shows a major jump in positive expectations regarding the impact on the ability of companies to supply customers on time. There is a large shift toward “no impact” and “minimal impact” in all three component segments with the largest share of responses falling in these categories. In addition, the largest group now expect no disruption in the supply chain. However, this is not consistent with inputs on questions regarding concerns about impact at the different stages of the supply chain. As seen in previous surveys, a large share of respondents continue to struggle with adequate visibility on the supply chain and are unable to quantify the impact of this crisis. Semiconductor participants appear to have the greatest challenge as more than 60% of respondents are still unable to assess the impact level of the Coronavirus on their ability to supply customers. At this point, of those companies able to gauge the influence of the Coronavirus on their supply chains, most expect no increase or a “less than one-week” impact on lead times. Again, a significant improvement from prior surveys.

Analysis of the survey results points to the need for continued research as companies continue to improve their understanding of how the Coronavirus is/will impact their supply chains.

**Figure 3 – On Time Supply Impact Average on Top Level Categories**



Source: ECIA