ecia
Electronic Components Industry Association

SURVEY SYNOPSIS **May 2020**

Coronavirus Survey – Update 7

Results of Manufacturer & Distributor Survey Ended May 26, 2020

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Introduction

The extreme uncertainty and volatility associated with COVID-19 as created a need for visibility on how this crisis is impacting the electronics components industry and the supply chain. In order to provide important visibility, ECIA began conducting surveys of member manufacturing and distributor companies at the start of February to gain an understanding of this ever-evolving situation. ECIA has published survey results on nearly a bi-weekly basis in an attempt to provide continuous updates to our members.

This most recent survey was conducted between Monday, May 18th and Tuesday, May 26th. Between the most recent survey and the previous survey that ended May 5th the number of state and local governments that have started to ease quarantine orders has expanded. However, deep divisions concerning economic philosophy and management of the pandemic have grown across the country. A sense of urgency to reopen the economy continues to build. However, major states that drive large segments of the economy continue to maintain strict quarantine orders with little visibility on when changes will come.

The survey ended May 26th reflects a mixed trend since the last survey results once again. While overall concern regarding impact on the supply chain has moderated significantly, the expectation for the duration of the impact has lengthened and anticipated lead times have extended. The number of companies reporting strong confidence in order backlogs evaporated in the most recent survey as large majorities reported “average” confidence. End market demand continues to be the greatest concern regarding supply chain health while electronics systems production disruption declined sharply in reported concerns.

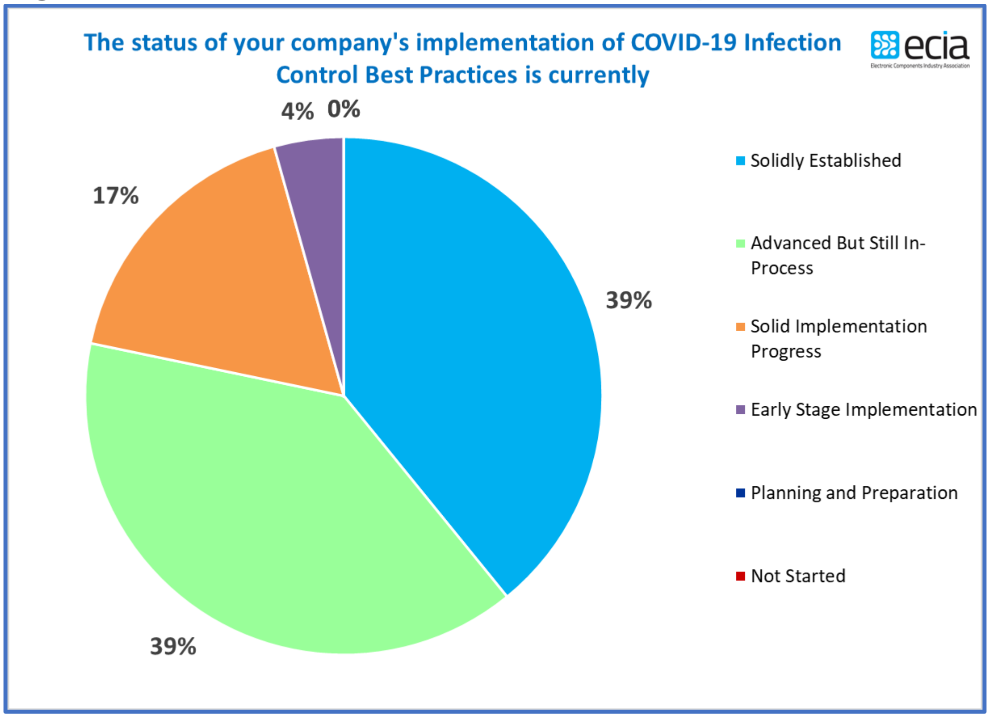
The Automotive and Industrial Electronics markets continuing to represent the segments of greatest concern with expectations of a decline in Automotive electronics remaining roughly the same at 71% and Industrial Electronics decline outlook deteriorating significantly to 68%. Despite expectations for weak end-market demand, the confidence in order backlog remains solid in every product segment but not as robust as in the prior survey.

The bright spot in this survey comes from a new question asking about implementation of “Infection Control Best Practices for COVID-19.” A status of “Well Established” or “Advanced” was reported by 78% of respondents. Everybody reports that they have progressed beyond the phase of “Planning and Preparation.”

The full report provides detailed data by component type for the major categories of: Electro-Mechanical, Passives and Semiconductors.

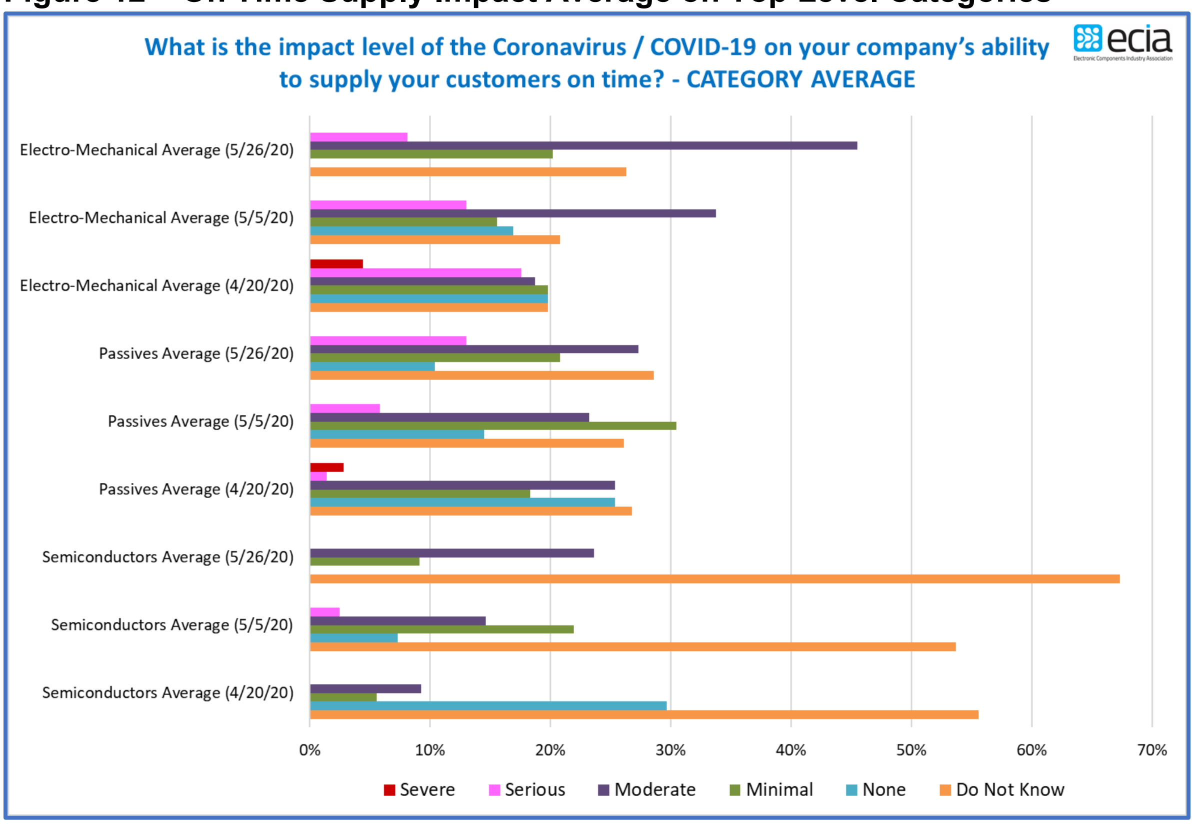
The complete report presents data in 15 detailed tables and 27 figures. In addition, this report presents indexes to provide a perspective on how sentiment has shifted over time.

Figure 6 – Infection Control Best Practices Implementation



Source: ECIA

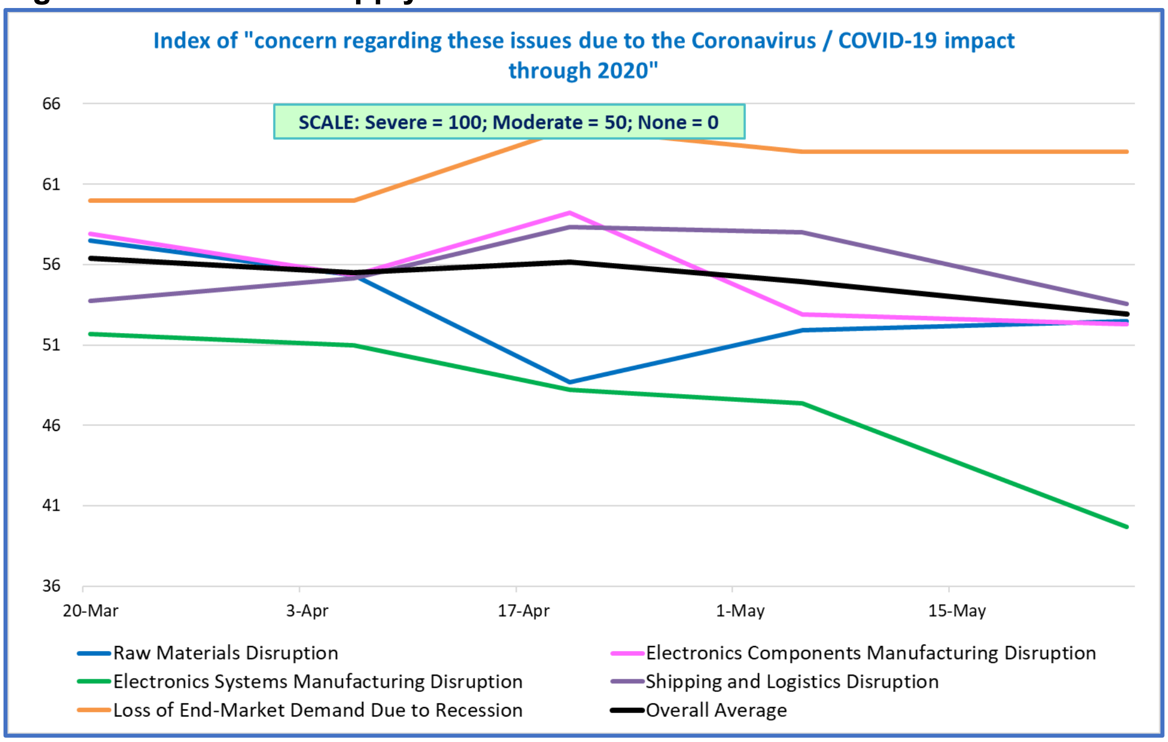
Figure 12 – On Time Supply Impact Average on Top Level Categories



Source: ECIA

The indexes in this latest report show increasing concern about ability to supply customers on time. The index summarizing end-market demand expectations shows automotive electronics markets continuing to slide – falling below 13%. Expectations for industrial electronics slumped again after a brief rebound in the previous survey. The industrial electronics index sits below 29 – its lowest level since the start of the survey. Consumer electronics and telecom infrastructure saw notable improvement in their outlook. The overall end-market demand index continues to decline very slightly. "Systems Manufacturing" and "Shipping & Logistics" disruption concerns fell substantially in the latest survey.

Figure 10 – Index of Supply Chain Concerns



Source: ECIA

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