TPC Electronic Industry
Coronavirus Impact Survey
February 18, 2020
As a follow up to our ongoing research on the impact to the electronics supply chain in China from the Coronavirus; we did a special survey. The survey had ~6000 respondents with ~85% located in China. Our key findings along with our supporting on the ground checks are as follows:

- 83% of the respondents are seeing a negative impact to demand and/or production from the virus.
- Roughly half of the respondents see production down more than 10% for C1Q due to the virus’ impact and another 40% see it down 6-10% vs. previous plans.
- 44% think this shortfall in C1Q will not be made up in C2Q.
- Regarding the C2Q shortfall, ~70% of these responses believe there will not be enough workers back by C2Q to make up the C1Q production deficit; while ~65% believe there will not be enough components available in C2Q to make up the shortfall. Only ~25% see any demand being destructed because of production shortfalls in C1Q.
- We are seeing evidence that only ~50% of the workforce at the major manufacturing sites have returned.
- China Gov’t officials are not available at factories to approve their reopening.
- ~40% of China based suppliers have still not given a return to work date to their workforce.
- Non-China based components that do ship in February in a lot cases cannot be received in due to lack of workforce.
- We believe that the increase to C2Q’s manufacturing schedule and requirements will further tighten supply chains resulting in shortages and some allocation.
Have you seen a negative impact to component demand and/or production due to the Coronavirus?

- Yes: 83%
- No: 17%
What % do you think this will impact C1Q’s electronics production vs. previous plans?

- No Impact: 13%
- Down 1-5%: 39%
- Down 6-10%: 48%
- Down >10%: 13%

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Do you think this production delta will be recovered in C2Q?

- Yes: 44%
- No: 56%
If production delta will not be recovered in C2Q, why? (multiple answers OK)

- Not enough workers to complete builds: 70%
- Not enough components to complete builds: 60%
- Virus still will not be contained enough: 50%
- Demand destruction: 20%
What is the % of total electronics manufacturing that has left China for other areas over the past 12 months due to tariffs? (From December ‘19 Survey)

0-5% 6-10% 11-20% >20%
Will this reverse once a trade agreement is reached?
(From December ‘19 Survey)

68% Yes
32% No