

As it may have come to your attention recently that supplier lead times are increasing.

This is due to the economic downturn last year where demand for semiconductors was very low

Now demand has ramped up again much faster than forecast. This means that overall wafer fab capacity in general is less than the current demand.

Longer term the semiconductor market is taking steps to increase capacity by restarting fabs and running extra lines however it is not an instant process due to the complexity of the technology + the size and scale of the wafer fab / manufacturing operation. It is comparable to an ocean liner taking several miles to turn in response as opposed to a small speedboat turning on its axis.

What does this mean for you?

- Most suppliers are increasing their standard lead-times due to the above situation, which in some cases could be up to 50 weeks or more.
- The current lead-times being generated are based on factory MRP systems and give a "rightnow" indication of capacity to deliver based on a worse case outlook. **Please note these are systematic leadtimes which are calculated on the assumption an order is loaded onto the system that day.**
- Once an order is on the system the factory is trying to reduce the leadtime wherever possible, we are also working closely with all our suppliers to achieve this.
- As a result we are recommending that customers place their orders as soon as possible, this will enable us to get a more realistic leadtime and expedite orders to meet individual demands.

Presently Power Semiconductors are showing the largest capacity problems however there are signs that IC manufacturing and Passive components will also be effected.

With thanks