Global Industry Practices Committee
April 14, 2022

**Purpose:** Through a non-competitive, collaborative effort, the committee works to recognize *common, global problems and issues* and formally organize to *discover, leverage and guide* while pursuing operational efficiencies throughout the electronic components global authorized channel.
Agenda:

- Welcome and Organizational Update with Don Elario
- ECIA Update with CEO and President David Loftus
- Current Topics with Chief Analyst Dale Ford
- Workplace Disruption – How its changing? Russ Dzielak
- Environmental Compliance – Dan Carey *(Highlights from March 24th Mtg)*
- Cybersecurity and Fraud – Brad Waisansen *(Highlights from April 7th Mtg)*
- Uyghur Forced Labor Prevention Act *(Xinjiang China Ban)* – Don Elario
- Design Registration…Continued Collaboration Efforts – Don Elario
Pete Shopp – SVP Business Operations, Mouser Electronics Co Chair
Russ Dzielak – Director of Channel & Key Accounts, Phoenix Contact Co Chair
Teri Ivaniszyn – VP Operational Excellence, Digi-Key Past Chair
New Brian Giudice – VP Sales Millennium Alliance Group, AEM Group
Dawn Manhart – Sr. Director, Global Distribution and Marketing, Knowles Corporation
Marc Paquette – Corporate Account Manager, Analog Devices Inc
Melanie Pizzey – VP Global Business Operations, TTI
New Andy Zanelli – President + CEO, Visual Communications Company, LLC
New Eileen Harduk – Director, Procurement – Operations, Operations & Supply Chain, Avnet
New TBD – Small/Medium Distributor
Victor Meijers – SVP ECIA
Don Elario – VP ECIA Industry Practices

Subject Matter Expert Pool
SME Pool Now 180 Participants from 68 Companies...

Global Industry Practices Committee (GIPC)
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Service Partners and 3rd Party Relationships

RoHS Umbrella Industry Project
ECIA
with
David Loftus
ECIA CEO and President
Current Topics

with

Dale Ford

ECIA Chief Analyst
Semiconductor Revenue Growth Cycle

- Quarter-over-Quarter growth bounces along highest level in over a decade
- Annual revenue cycle dips but appears to have legs through 2022
- Rising ASPs boost revenue growth
- Strong demand and technology drivers
- Inflation and interest rates undermine consumer spending? Shifting trends?
- How steep is the backside of the cycle?

Source – WSTS

Global Industry Practices Committee (GIPC)
Worldwide Semiconductor Unit Shipments

Source: WSTS

Increase From: Previous Peak Recovery Start
- Discretes 7.2% 32.7%
- Analog ICs 20.7% 46.7%
- Logic ICs 38.1% 61.6%
But What About the Americas?

- Counter-cyclical trend starting in summer 2020
- High memory mix in Americas contributes to volatility
- Will inflation clip the wings of growth?
- Increasing ASPs will boost growth rates through 2022

Source – WSTS

Global Industry Practices Committee (GIPC)
Americas Semiconductor Unit Shipments

Source: WSTS

Increase From:
- Discretes 62.4%
- Monolithic ICs 36.3%

Recovery Start
- 125.6%
- 63.8%

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Inflation Hits Highest Rate in 41 Years

Source – Bureau of Labor Statistics (BLS)

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North America Sentiment Survey Trends

North American Sales Performance Compared to Prior Month

Source: ECIA Electronic Component Sales Trends Survey

Global Industry Practices Committee (GIPC)
North America Sentiment Survey Trends

North American Sales Performance Compared to Prior Quarter

Source: ECIA Electronic Component Sales Trends Survey

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Lead Times Still Extreme

Average Lead Time In Weeks

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Lead Times Still Extreme

Global Industry Practices Committee (GIPC)
Record Setting Lead Time Pressure

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Thank you!

Dale Ford – Chief Analyst
dford@ecianow.org
SME Group Call was held on March 24, 2022

• Prop 65 – elimination of the short form warning
• TSCA PIP 3:1 – quick note on the compliance notification
• RoHS Exemptions of 2011/65/EU – EU Commission review of the RoHS Directive was due to be completed on July 2021; still pending results
• Radio Equipment Cybersecurity Requirements – EU RED, California, UK…
• PFAS Restrictions
• European Recycling Labeling Requirements – French Triman Logo and Italian packaging details
• German WEEE Document Requirements
• SCIP Database – round-the-call discussion on how implementation is going within your company
• Compliance & Risk (RINO) and Chemical Watch – pursuit of regulation database opportunity
• Uyghur Forced Labor Prevention Act (Xinjiang Product Ban)

Note: Recorded meeting and power-point slides available on ECIA website under Issues & Practices and Environmental Compliance Update
SME Group Kick-off Call was held on April 7, 2022

- CMMC 2.0 Compliance *(Cybersecurity Maturity Model Certification)*
- Ransomware Prevention
- Incident Response
- Cyber Insurance
- Cyber Spending Polls
- Trusted Partners – Industry Experts
- Security Awareness – Challenges and Best Practices
- Fraud – Detection-Respond-Report
Uyghur Forced Labor Prevention Act (Xinjiang Product Ban)

1. How far down the supply chain will they go? The answer is “ALL THE WAY”

2. Urging CBP (Customs Border Patrol) to meet us in the middle by the deadline on June 21, 2022

3. Exemptions will be difficult to come by...

4. “Trusted Trader Program” to be developed for harmonization...

5. NAM comments are based on input received from an array of member companies throughout manufacturing sectors: Comments submitted to Federal Register on March 10, 2022

   1. Supply chain complexities and traceability challenges and recommended investment
   2. Importance of guidance regarding due diligence requirements
   3. Providing benefits for participants in trusted trader programs
   4. Increasing transparency and partnership regarding allegations, investigations and enforcement
   5. Timelines for enforcement and release
   6. Collaboration with U.S. allies and partners

6. Late April 2022: The Forced Labor Enforcement Task Force must hold a hearing - allow witnesses to testify with respect to the use of forced labor in China and potential measures to include tracing technology, supply chain transparency solutions and identification of third country supply chain routes, among other things.

7. May/June 2022: The Forced Labor Enforcement Task Force - must develop a robust strategy for supporting the implementation of the law

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Design Registration Phase 3
Continued Collaboration Efforts…

Global Industry Practices Committee