

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

Global Industry Practices Committee (GIPC)

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Global Industry Practices Committee

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

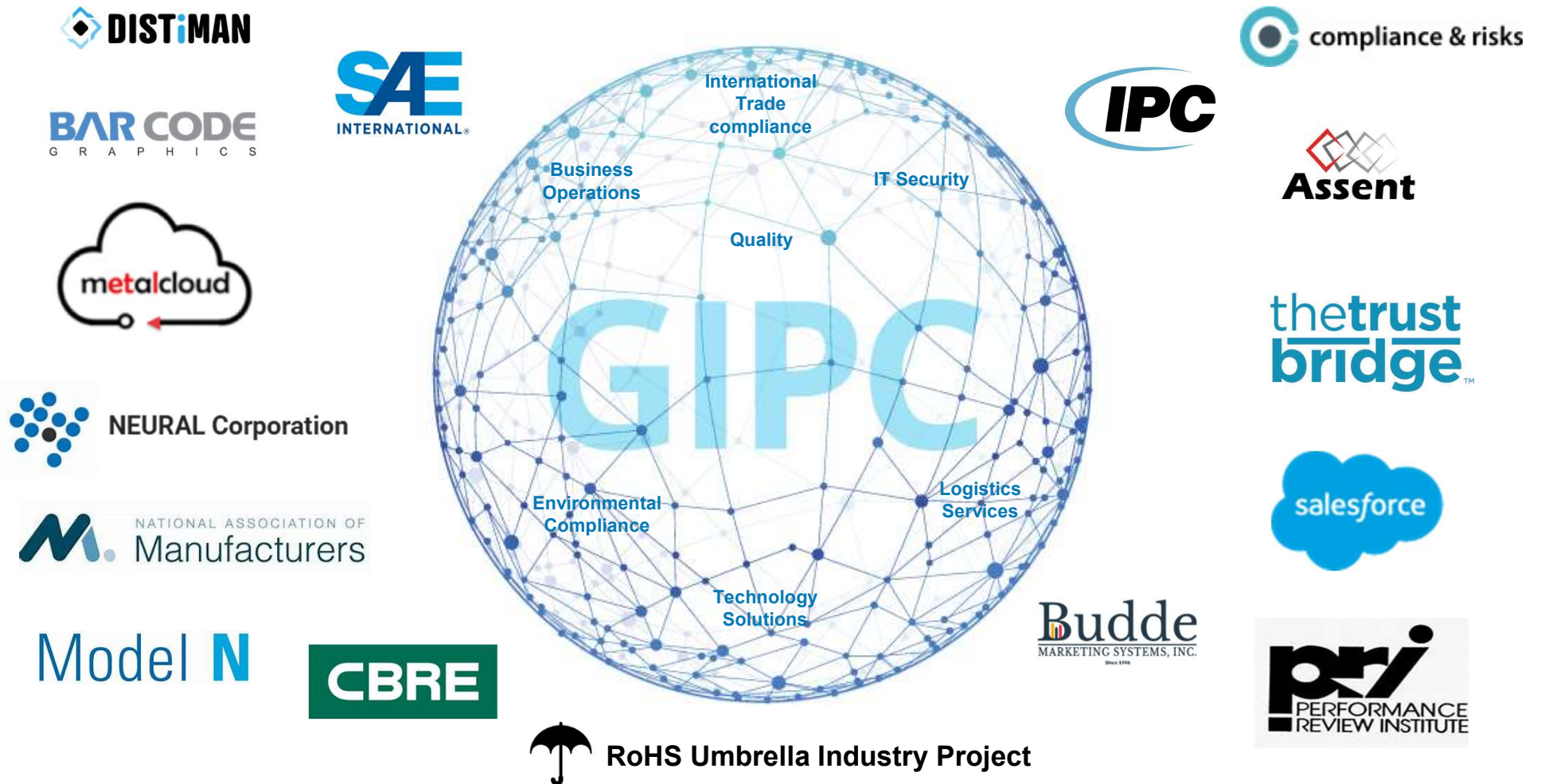
SME Pool Now 180 Participants from 68 Companies...



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Service Partners and 3rd Party Relationships





ECIA

with

David Loftus

ECIA CEO and President



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Current Topics

with

Dale Ford

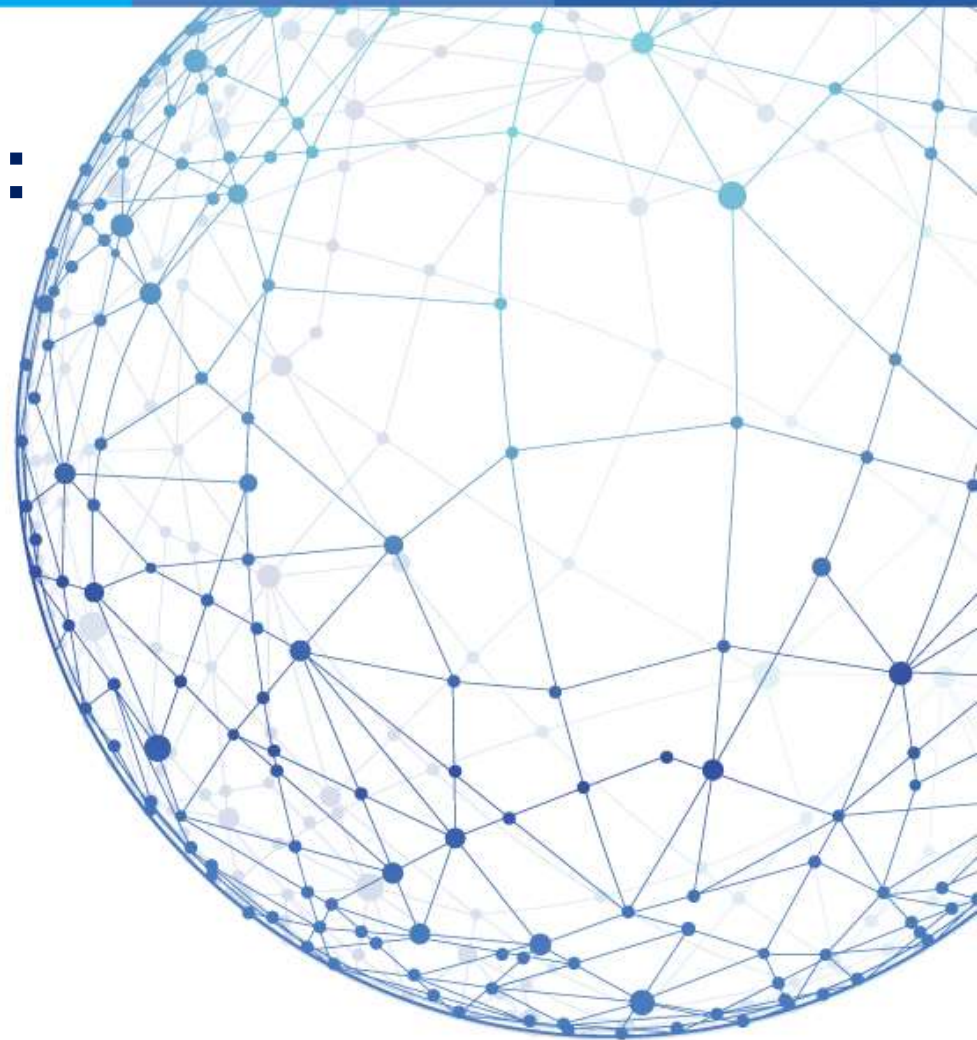
ECIA Chief Analyst



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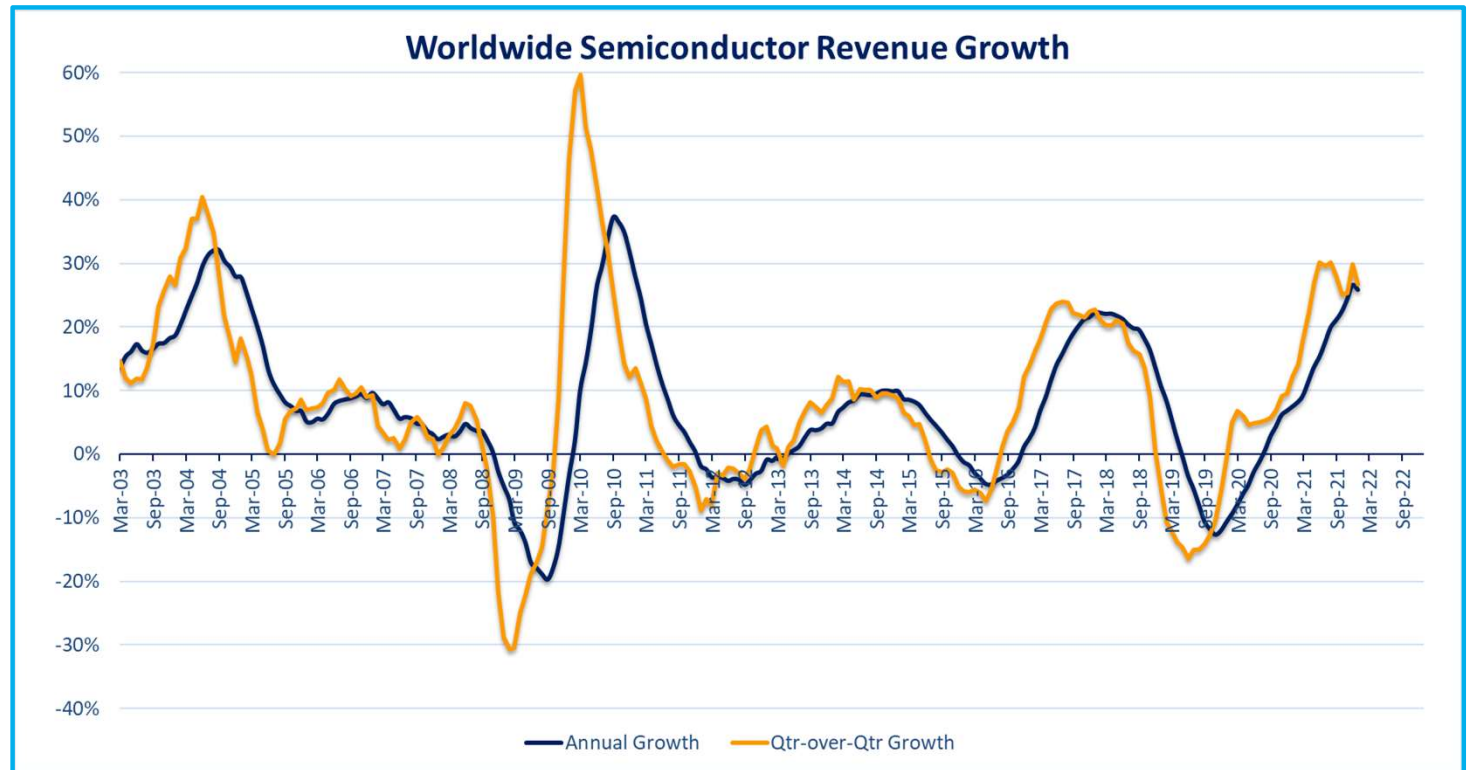
Electronics Components: Q2 2022 Market Update

Dale Ford – Chief Analyst
April 14, 2022



Semiconductor Revenue Growth Cycle

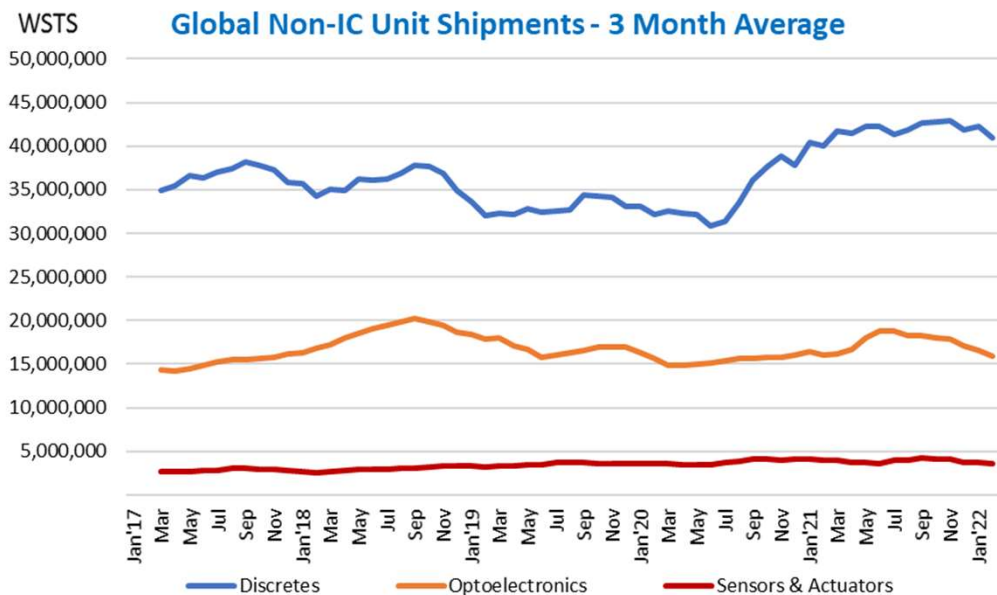
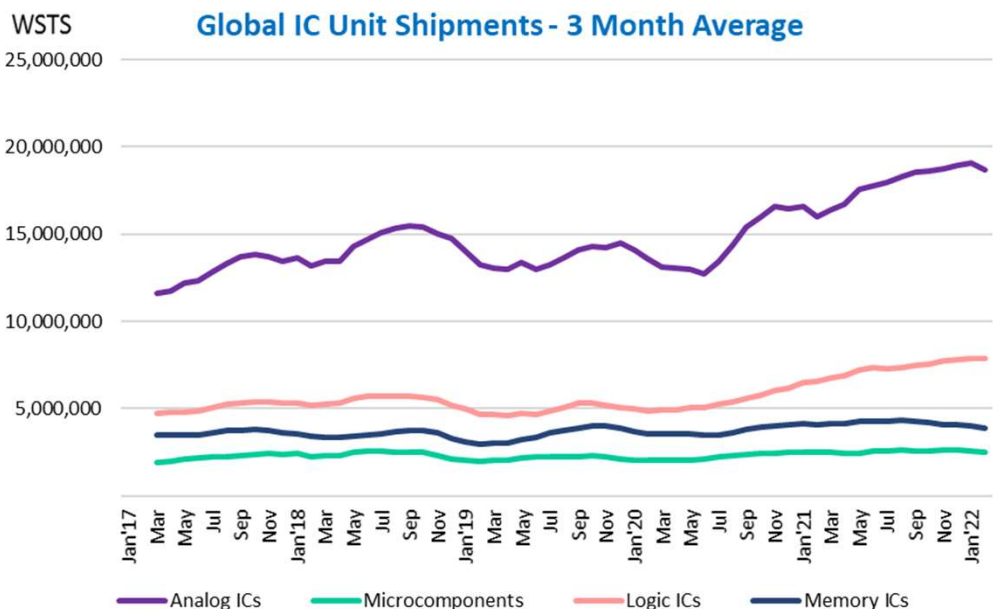
- Quarter-over-Quarter growth bounces along highest level in over a decade
- Annual revenue cycle dips but appears to have legs through 2022
- Rising ASPs boost revenue growth
- Strong demand and technology drivers
- Inflation and interest rates undermine consumer spending? Shifting trends?
- How steep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



Source – WSTS

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Worldwide Semiconductor Unit Shipments



Source: WSTS

Increase From:

- Discretes
- Analog ICs
- Logic ICs

Previous Peak

7.2%
20.7%
38.1%

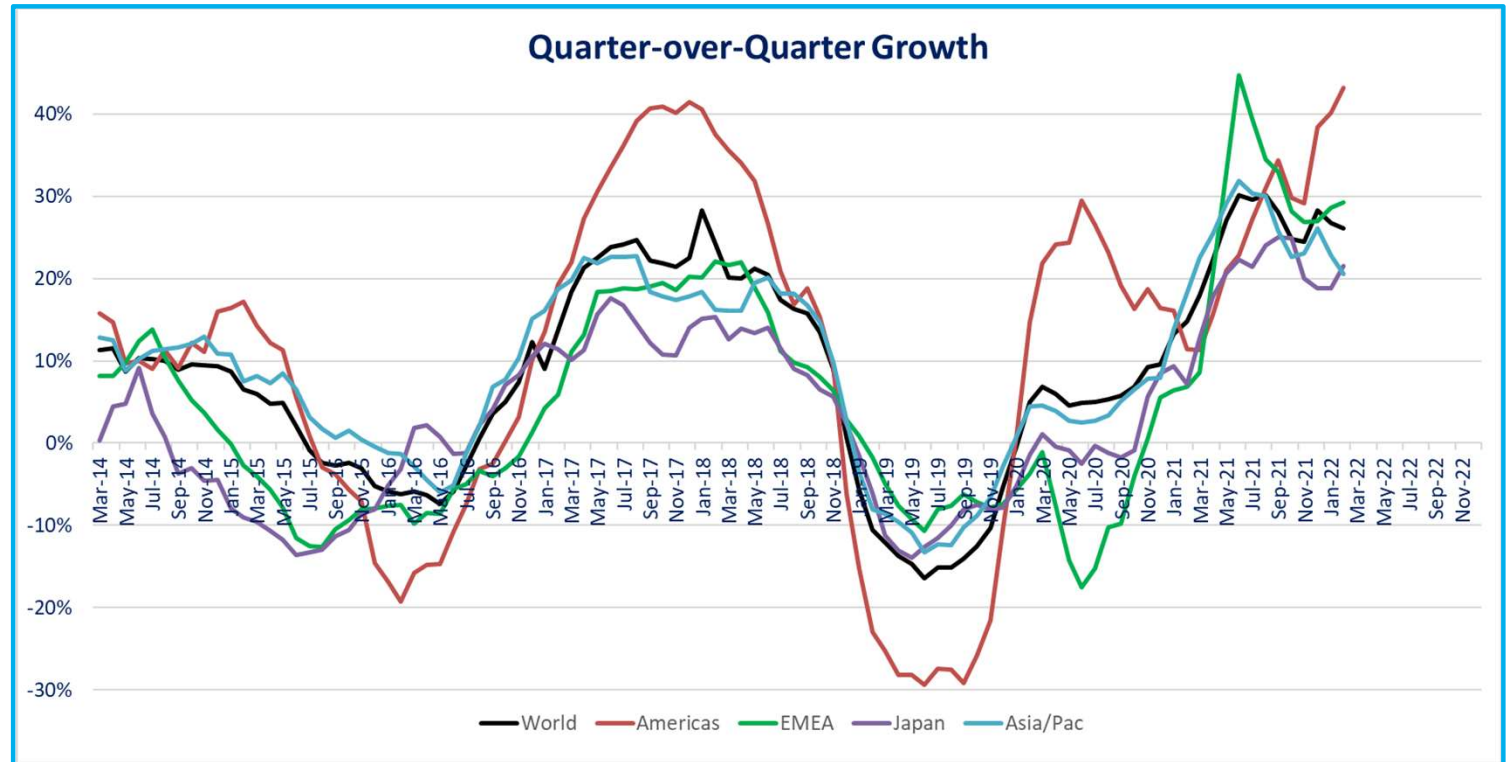
Recovery Start

32.7%
46.7%
61.6%

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But What About the Americas?

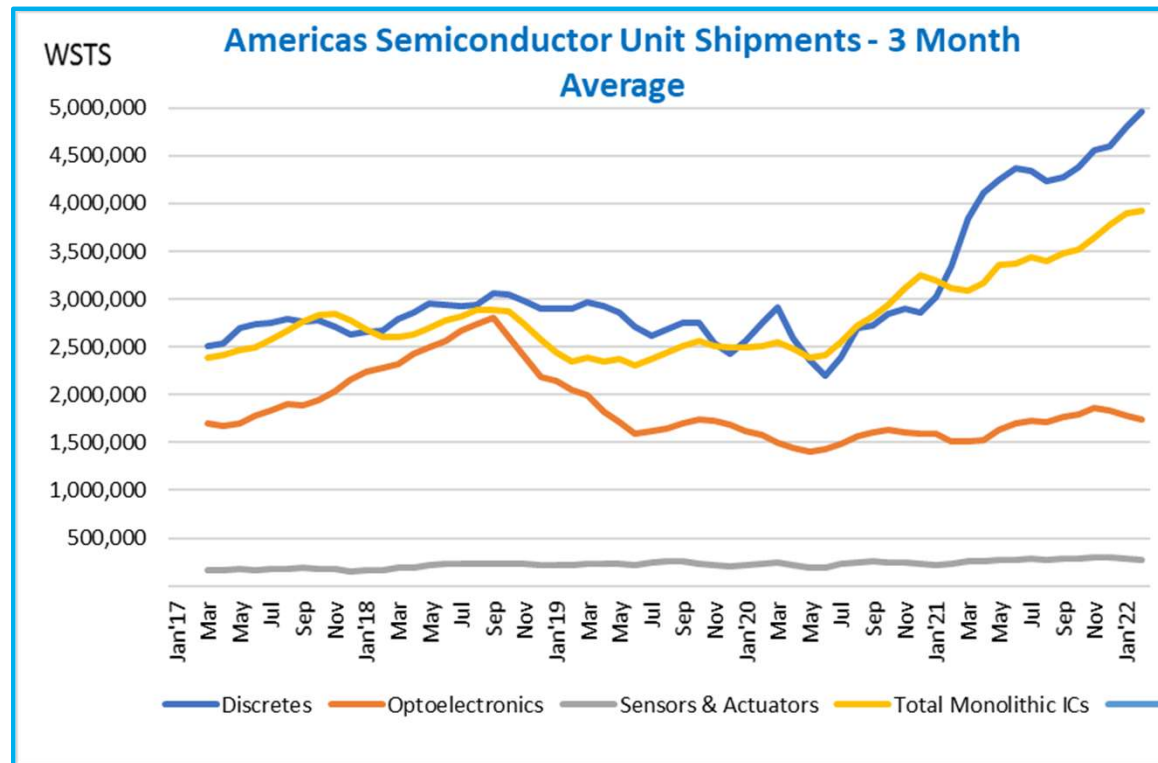
- Counter-cyclical trend starting in summer 2020
- High memory mix in Americas contributes to volatility
- Will inflation clip the wings of growth?
- Increasing ASPs will boost growth rates through 2022



Source – WSTS

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Americas Semiconductor Unit Shipments



Source: WSTS

Increase From:

- Discretes
- Monolithic ICs

Previous Peak

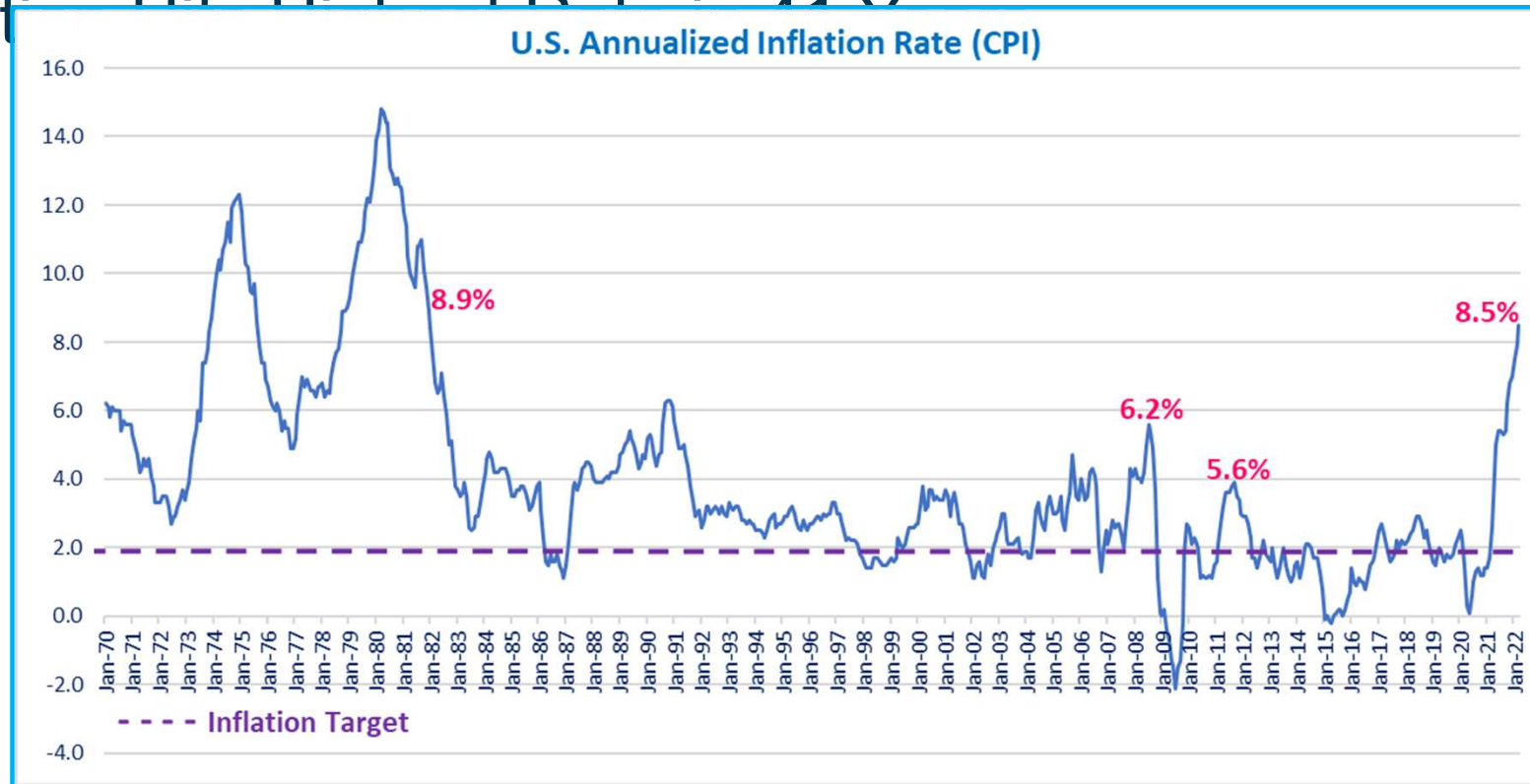
62.4%
36.3%

Recovery Start

125.6%
63.8%

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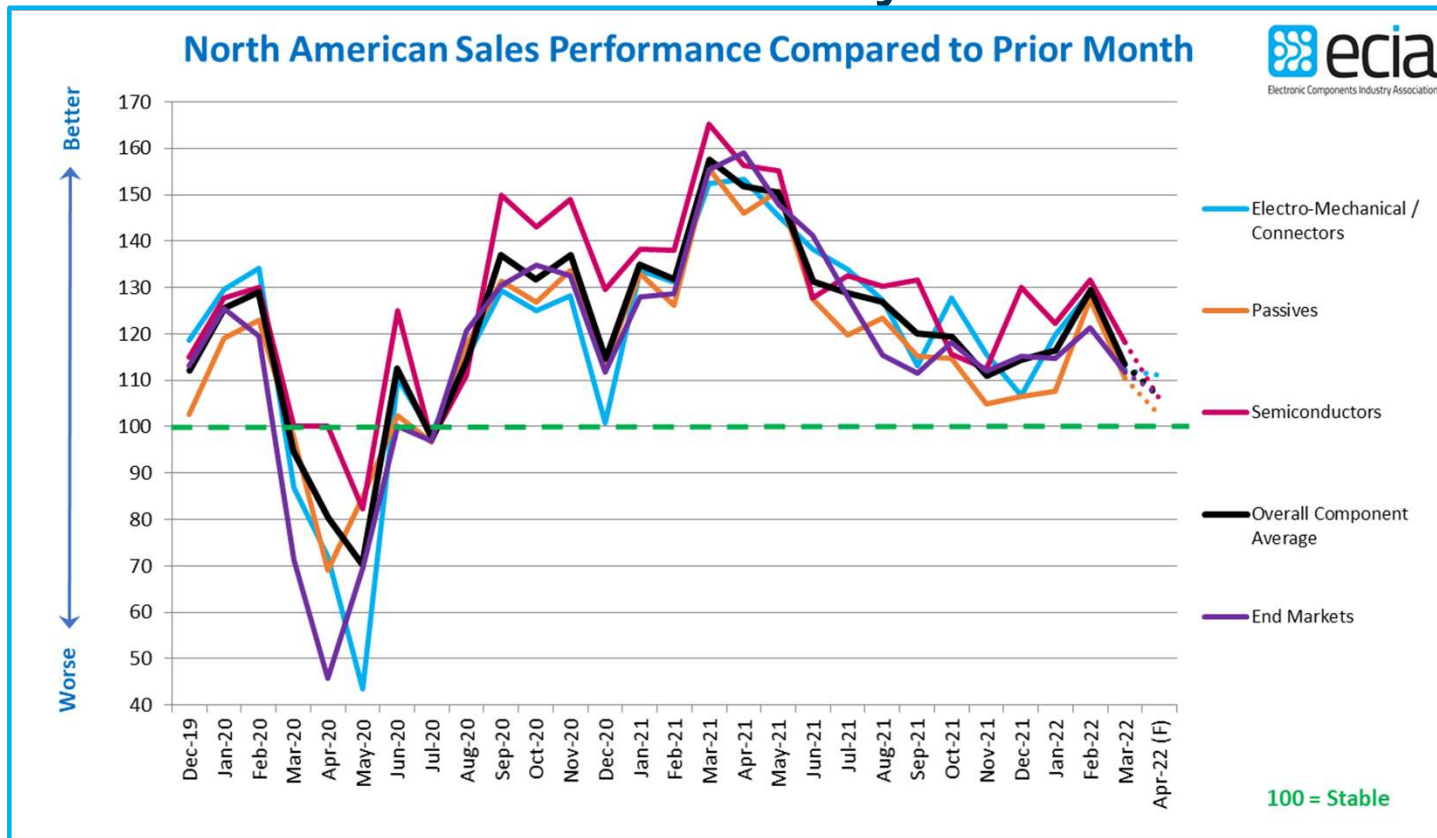
Inflation



Source – Bureau of Labor Statistics (BLS)

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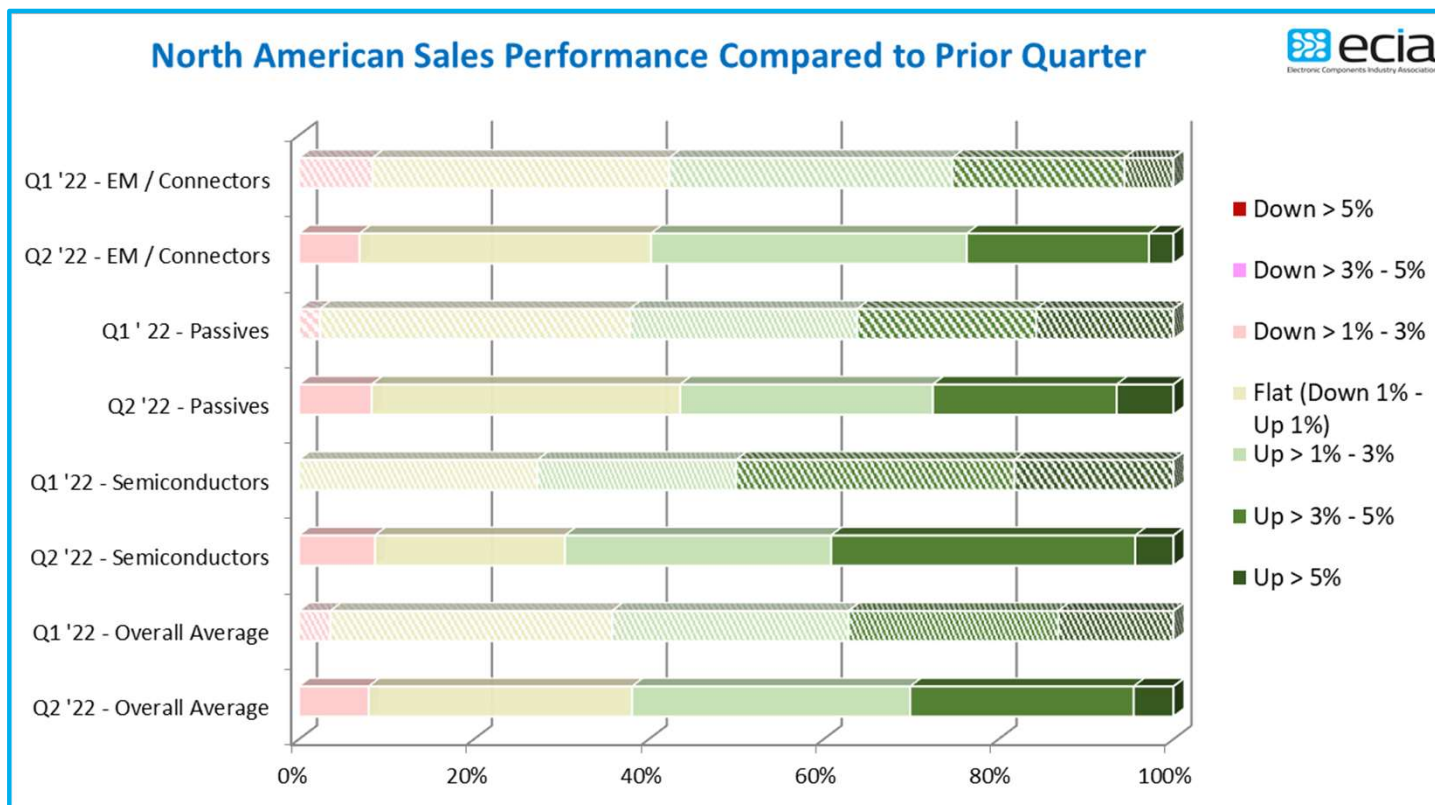
North America Sentiment Survey Trends



Source: ECIA Electronic Component Sales Trends Survey

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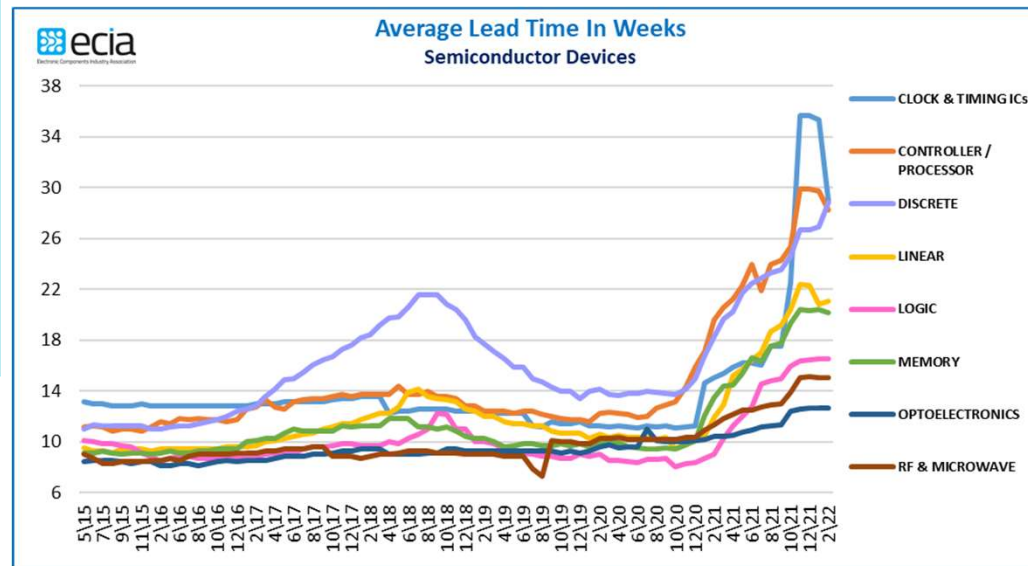
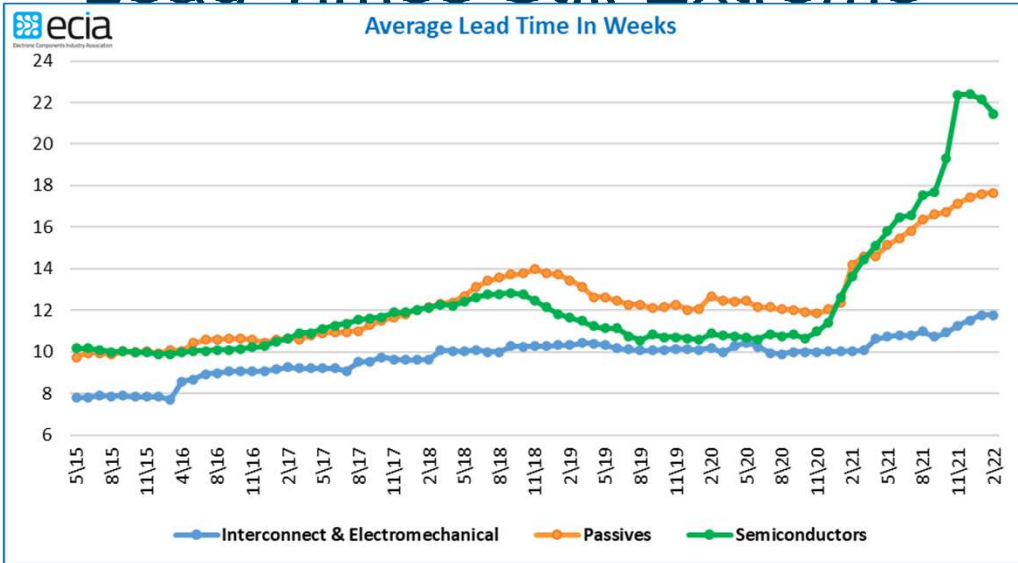
North America Sentiment Survey Trends



Source: ECIA Electronic Component Sales Trends Survey

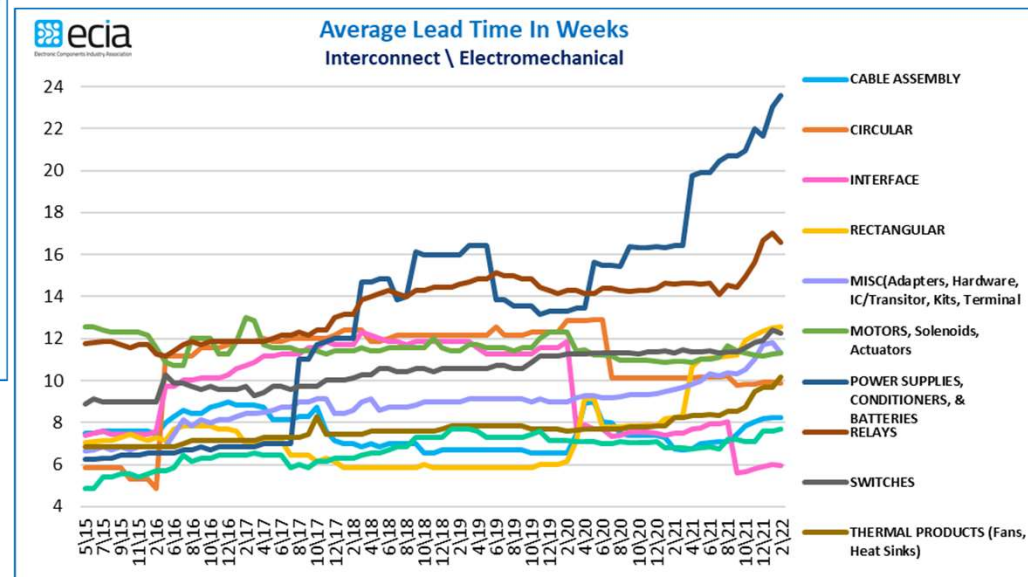
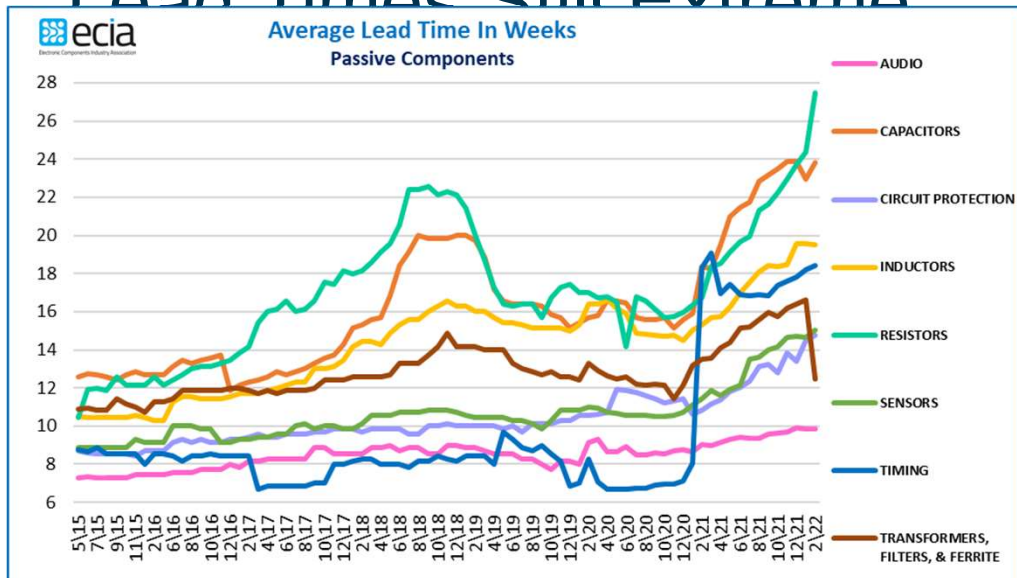
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Lead Times Still Extreme



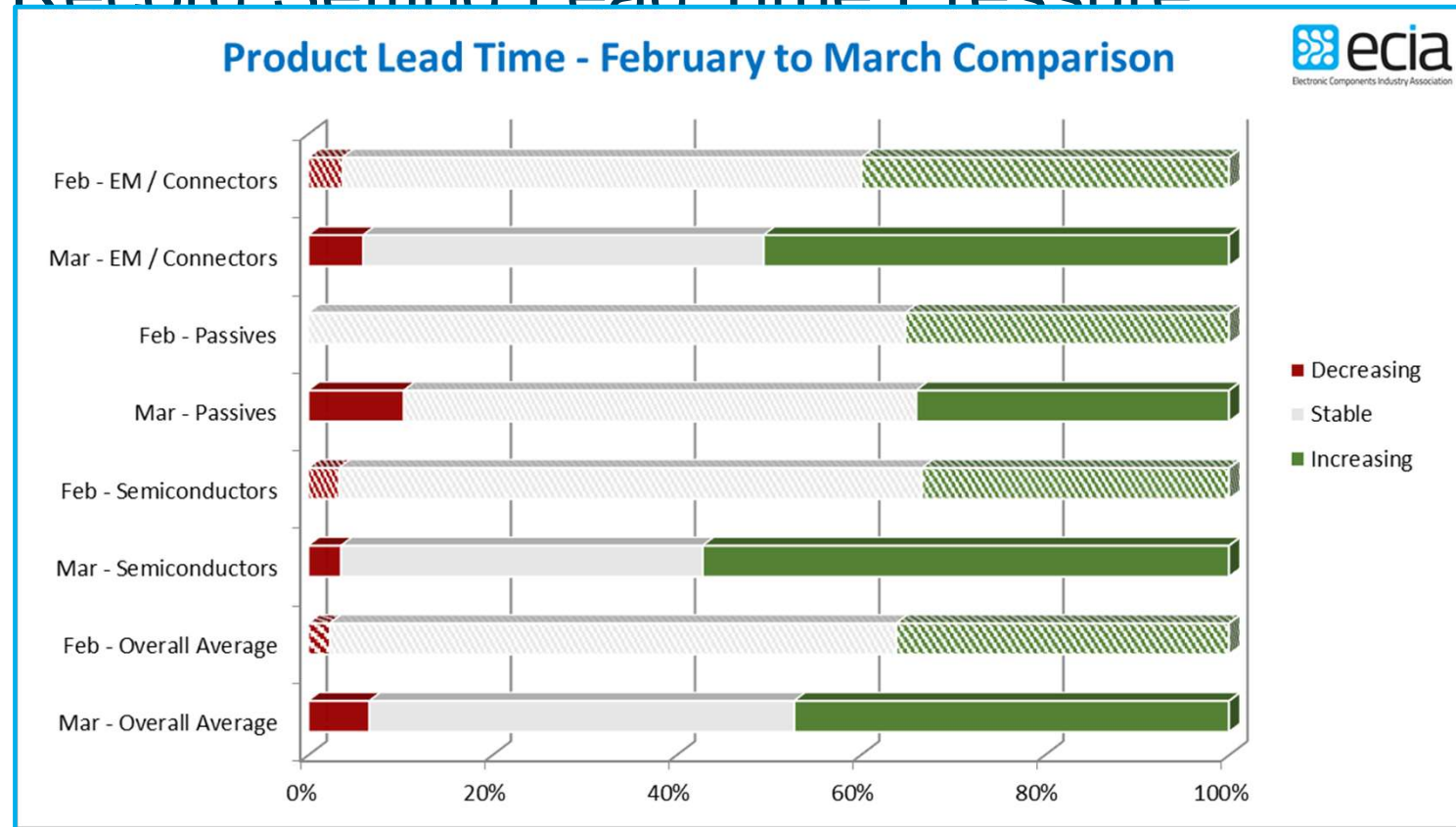
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Lead Times Still Extreme



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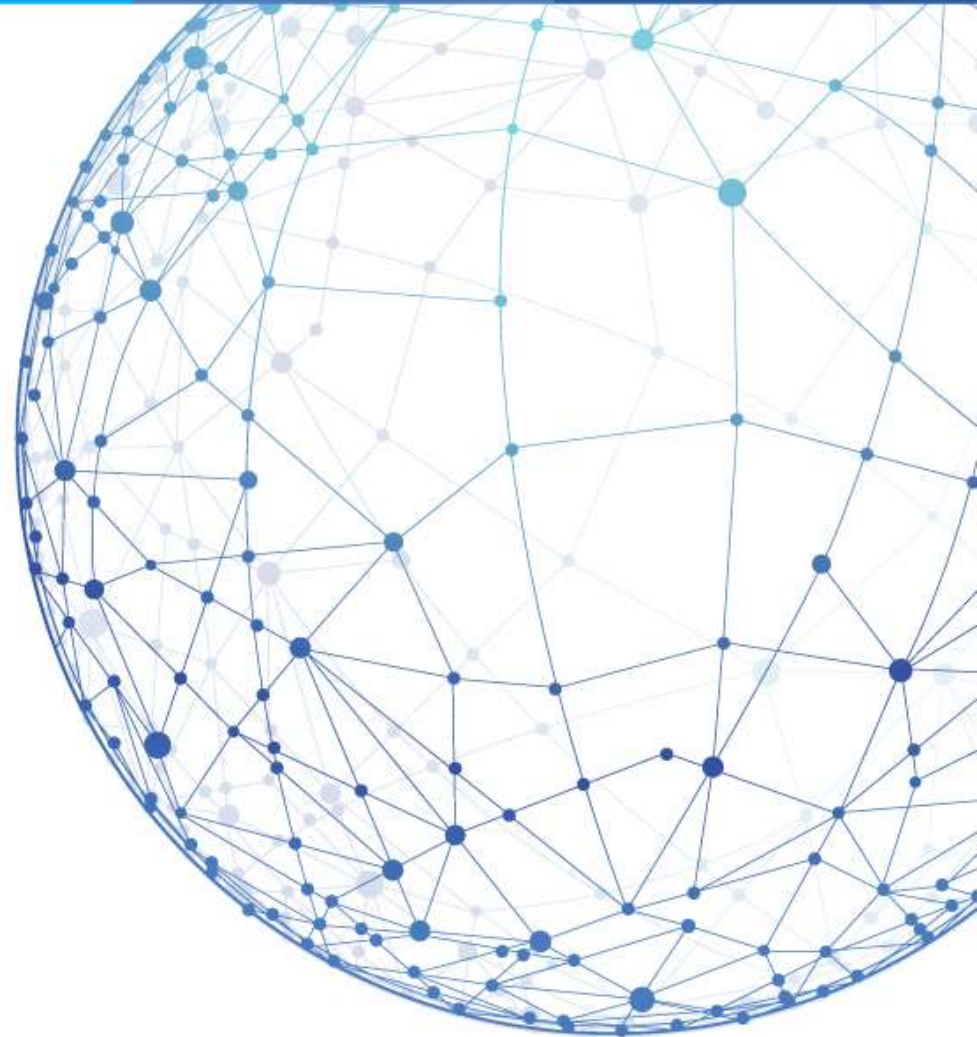
Record Setting Lead Time Pressure



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Thank you!

Dale Ford – Chief Analyst
dford@ecianow.org



Workplace Disruption

How is it changing?

Russ Dzielak

Director of Channel & Key Accounts,
Phoenix Contact



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Environmental Compliance with Dan Carey, Farnell Product Compliance Senior Manager



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

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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

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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

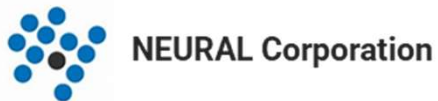
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Design Registration Phase 3

Continued Collaboration Efforts...



Model **N**



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