Tariffs Crush Sales Sentiment in April 2025 ECST Results

ECIA's Electronic Component Sales Trend (ECST) April 2025 Survey Results

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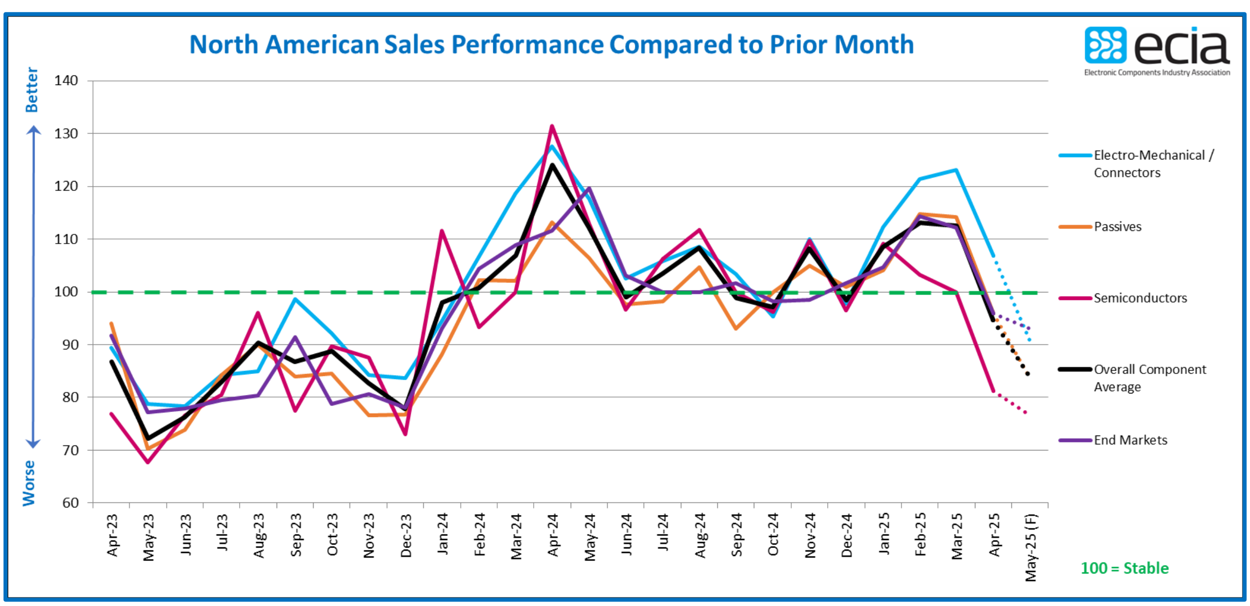
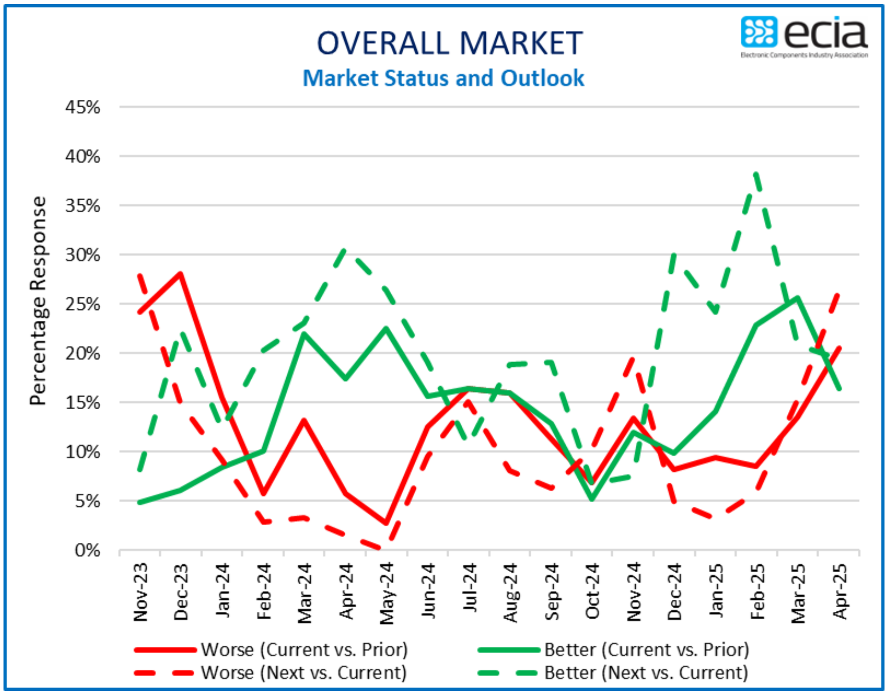
The announcement of comprehensive, punishing tariffs by the U.S. on every country around the world and the crippling triple-digit tariff trade war between the U.S. and China has resulted in a devastating drop in sales sentiment as measured in the April ECST Survey. Electronics Component Manufacturers and Distributors are now dedicated to preventing this daunting, complex tariff environment from wreaking havoc on the supply chain. The overall component average index score collapsed by 18.8 points between March and April as it plunged to 94.7, 16.6 points below expectations. The painful slide is expected to continue into May as the outlook calls for a further drop of 11 points down to 83.7. The overall index score as well as each of the individual segment index scores fell to their lowest point since December 2023. Every product segment fell by over 16 points with Semiconductors and Passive Components both dropping by more than 18 points. Electro-Mechanical / Connector Components were able to maintain an overall positive score at 106.9 in April in spite of the steep drop. However, it is expected to join all other segments in negative sales sentiment territory in May with a projected decline of another 16.2 points. The projections for May sales sentiment present a continuation of the precipitous slide in sentiment with no sign of relief in any component category. The hopeful start to 2025 has hit an unexpected wall. It appears that improvement in sales sentiment will require a positive resolution of the tariff nightmare.

Distributors and Manufacturers report sentiment slightly above the overall index averages while Manufacturer Representatives are in strongly negative territory in both the April actuals and May outlook. The overall end-market index mirrors the slide in the component index in April but seems to pull back from the current negative momentum in the May outlook as its score comes in at 93.1 in May. Every end-market segment suffered declines in their index score with Medical and Consumer Electronics seeing the strongest drops. Avionics/Military/Space and Industrial Electronics continue to be the most resilient markets with index scores that still report overall positive sentiment with scores that top 100. It appears that government policy will dictate the fortunes of the market for the foreseeable future.





The ECST survey provides highly valuable and detailed visibility on industry expectations in the near-term through the monthly and quarterly surveys. This "immediate" perspective is helpful to participants up and down the electronics components supply chain. In the long-term, ECIA shares in the optimism for the future as the continued introduction and market adoption of exciting innovative technologies should motivate both corporate and consumer demand for next-generation products over the long term.

The complete ECIA Electronic Component Sales Trends (ECST) Report is delivered to all ECIA members as well as others who participate in the survey. <u>All participants in the electronics component supply chain are invited and encouraged to participate in the report so they can see the highly valuable insights provided by the ECST report</u>. The return on a small investment of time is enormous!

The monthly and quarterly ECST reports present data in detailed tables and figures with multiple perspectives and covering current sales expectations, sales outlook, product cancellations, product decommits and product lead times. The data is presented at a detailed level for six major electronic component categories, six semiconductor subcategories and eight end markets. Also, survey results are segmented by aggregated responses from manufacturers, distributors, and manufacturer representatives.