

Parts and chips shortage delays in logistics car, electronics problems may last until the end of June

SEATTLE, WA, USA, March 28, 2022 /EINPresswire.com/ -- CEOs of both auto and consumer manufacturers expect the shortage of electronic components and semiconductors, and disruptions to last until the end of June. In the meantime, supply may remain behind the demand for



smartphones, cars TVs, laptops, and refrigerators. The company is expected to speed up the introduction of new models in the coming year, as obstacles gradually diminish.

Production and distribution facilities are opened slowly and supply resumes that the <u>chips</u> shortage should be less severe by the time of the June quarter the smartphone maker's global business president and chief executive officer of India Madhav Sheth. "Our launch plan for 2022 is on the right track," he said.

Many CEOs claimed they've suffered significant losses from sales that could have been made due to the disruptions that also caused delays in the launch of new models. However, they anticipate that losses to be less in the coming year as production grows.

Indian automobile manufacturers lost sales of around \$5 billion, or about 20% of the production of vehicles in 2021, according to estimates from industry experts. It is predicted to fall to 10% in the next. Gaurav Vangaal is director of the associate department at the global automotive forecasting company IHS Markit, said India has lost more than half a million vehicles that are light because of shortages in semiconductors in 2021.

"We have seen ongoing issues in the semiconductor industry's global production capacity, which is to allocate resources and to meet the LV (light vehicles) production demands," Vangaal said.

All electronics and auto manufacturers have been facing parts shortages and logistical delays for more than an entire year due to Covid-led disruptions in manufacturing and closures. Container shortages, closures, and congestion at ports.

They have also increased the cost of parts by 40-100 percent, and the logistic costs have increased six times more than pre-Covid levels. The problem grew worse due to the higher demand for items that reflect modifications in lifestyles, such as working from home and studying at home, as well as people purchasing expensive cars or products in the midst of the epidemic.

In the past year, Renault India has lost between 25,000 and 30,000 units, or about 30 percent of its monthly output because of the shortage of chips

"We could easily have averaged our sales of 12,000 units, however, due to the lack of stock and the difficulty to sell 8,000 units per month in the last one year," explained Renault India MD Venkatram Mamillapalle. "The situation is improving somewhat, however, the information on supply is not as clear. We expect this problem to last until mid-2022."

Panasonic India CEO Manish Sharma has stated that there's a delay of that is more than a month-long for certain components, like printed circuit boards. The delay will be normalized in the second half of 2022.

The companies also said that they have begun entering into long-term agreements with component makers, including the smaller suppliers, in order to ensure capacity and to also work with suppliers who are new. These are bringing results the companies said.

Skoda Auto Volkswagen has managed to secure priority allocations for chips from the headquarters because of new launches, but it's still not receiving enough supplies to begin an additional production shift scheduled for November. Gurpratap Boparai, the MD for Skoda Auto Volkswagen India stated that the company is expecting significant growth in 2022, and will add an additional shift in the near future.

Although the company is expected to record double-digit growth of high intensity due to the introduction of new models, because of the scarcity of components. it stayed away from making any forecasts for growth due to the lack of components.

<u>Easybom</u> will continue to report the latest chip issues, as well as update the inventory and real-time prices of electronic components

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