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## As electronic supply gaps worsen, product industries must think ahead.

Highlighted in a recent [Forbes article](#), supply shortages of raw electronic component stocks have further evolved to place significant risk on industries reliant on electronics for their products.

Our Chief Business Officer, Jeff Thomas, spoke to us about this latest market supply depletion: “To ask me to interoperate communications in to quote a client a 52-week lead-time to secure raw component stock to build their electronic products at the start of 2020 was a sure sign that there was no interest in the project and effectively decline to bid.”

In our [post on 1st January 2021](#), we stated that the electronic component market strongly urged us to evaluate production requirements for at least a six-month period in the near future. A global semiconductor shortage had arrived.

Supply-chain recovery had been predicted for Q4 2020 and Q4 2021. The most recent update has further pushed out these dates with minimal security around specifics other than we should expect to see recovery at some point in 2022.

Initially affecting semiconductors, the supply issues have spread to a broad cross-section of commodities, and the stark reality of the present market situation is that unless you plan and order 12 to 18 months in advance, you will not be able to secure stock or finished product.

We have electronic component specialists and a powerful electronic supply chain team monitoring this every day. The commodities and stock market are experiencing more blowouts daily and component suppliers are letting down customers at shorter notice. Even confirmed pricing doesn't hold as prices increase without notice and without the security of stagnation.

“I heard from one OEM that they had purchased a full year's stock position of a key chipset prior to approving development of a new product (not just enough for a prototype build, but extra to meet foreseeable demand)” Jeff said.

A common tactic is the taking of available stock, so stockpiling increases pressure on the market.

The team at Extel is actively purchasing key commodities in volume for approved clients who are in both the process of new product development and for their future electronics manufacturing needs to bridge the recovery gap. Jeff Thomas made it very clear: “If we fail to act now, our clients will face uncertainty and risk both time-to-market and product revenue. We must adjust our ‘just in time’ strategies as we catch up to a market that is falling behind.”

Electronic component manufacturers and distributors do not pay attention to forecasts without physical orders. It is now crucial to reinforce this market advice and encourage ordering 12 to 18 months in advance.

If you are dependent on electronic components for your product supply, [contact us](#) today so we can discuss your options to plan in line with market demand and increase your production line's certainty.

### For more information on how we can support you, please contact:

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