

Thinking about getting a set of those high-tech headphones with noise cancelling and all the new features? Think again. The small microchips that go into the headphones are in such short supply there is a 12 month wait time to get the chips. Chipsets that run power management devices are backlogged 6 months, and ordinary sensor chips like what cars use have a wait time today of 17 weeks. When Covid first began to decimate the landscape, many companies canceled orders because of the uncertainty causing many manufacturers to reduce output. Instead of falling, demand for electronics skyrocketed and companies have not been able to keep up with demand ever since supply chains were interrupted. Analysts expect it to take between 12-18 months before supply keeps up with demand in a best case scenario.

- It is forecasted the automobile industry will lose as much as \$10 billion in lost revenue in 2021 because of delays caused by the lack of computer chips. Many features are being left off cars rather than wait for parts.
- Almost 75% of all computer chips are manufactured in Asia, led by Taiwan Semiconductor. The recent Covid outbreak there is forecasted to further reduce the supply of critical components in electronics.
- The U.S. is considering \$50 billion in government funding to create more chip manufacturing capacity domestically to mitigate the impact of the shortage, but expectations are that it will take two years to bring new plants online.

