

Customer information

Würth Elektronik CBT Asia Production



Power restrictions in China

October 2021

Dear Sir or Madam,

We would like to inform you about the current supply difficulties in the PCB industry. The Chinese government has introduced restrictions on power consumption in certain regions. Please find further information on this topic below.

Current situation

Due to worldwide backlog demand caused by the pandemic, the export rate of all manufacturing companies in China has increased tremendously. The increased demand has extremely increased the power consumption in almost all provinces. After the reopening of the production facilities, the demand for coal-fired power exceeds the available supply. Current demand is 15% higher than in the period from January to August 2020. In addition, the Chinese government wants to reduce energy consumption and thus CO2 emissions. The above two circumstances have led to energy limits being imposed in many provinces. As a result, production companies are limited in their capacity utilization or have to stop production completely at certain points. Almost 50% of all manufacturing companies in China are now affected.

In the meantime, the restrictions on electricity consumption have an impact not only on production facilities, but also on office buildings and private households. This also disrupts administrative processes.

With these measures, the Chinese government hopes to reduce energy consumption in the short term. Above all, production companies should be stimulated to increase productivity and energy-saving measures should be enforced.

What measures is **WE** taking?

- We are constantly working with our partners to maintain delivery schedules.
- On a daily basis, we discuss production schedules in the plants and are in close contact with the authorities in order to be able to plan power limitations and production stops.
- Through real-time tracking, we know the production status of our PCBs at all times.

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What do we recommend to our customers?

It is difficult to predict how lead and delivery times will develop. For this reason, we recommend that you place your orders with us as early as possible.

The upcoming Christmas holidays as well as Chinese New Year afterwards will further worsen the situation, so it is important not to waste any time.

We thank you for your attention and hope for your support to overcome the difficulties together.

Best regards

Würth Elektronik GmbH & Co. KG

A handwritten signature in black ink, appearing to be 'A. Görz'.

Alexander Görz
Commercial Head of Asia Production

A handwritten signature in black ink, appearing to be 'M. Mairhofer'.

Manuel Mairhofer
Technical Head of Asia Production