

## Logistics and Supply Chain Update

December 10, 2020

### Logistics

**Ocean Lead time and off load continues to tighten. Container and chassis congestion and shortages are spreading to East Coast and on some EMEA routes. US transport times driven by driver availability / COVID increases are resulting in greater LTL shipments. Heavy International Air shipments continue to be more difficult to find space and pricing has risen more in past two weeks. Due to driver availability and following the thanksgiving holiday with fewer cross days there were some delays with crossing the border from Mexico but generally less than a full.**

### **Asia Air**

Trend continued with an increase in rates ex Asia. As continue shortages spread to Thailand Malaysia and EMEA expect upward pricing in those rates over the next 1-3 months minimum. SMTc continues to collaborate with our suppliers to minimize cost / break down shipments to small parcel when possible.

### **Sea Freight**

As expected increased Transit times have maintained at 65 days in the Asia Ocean market to west coast. We are now seeing a similar increase of 7 – 14 day more to the East Coast. The East coast issue is driven by container and worker availability and COVID restrictions in some ports.

### **EMEA**

Lockdowns are affecting worker availability. Logistic remain open but container availability is becoming an issue. Delays range from one to two days but continue to be manageable for small parcel shipments.

### **US Truck Transportation.**

With COVID cases rising there is increase in shortage of drivers. Delays increasing on LTL to 3-4 days. Pricing continues to increase in the spot market. Lead times with small parcel have increased slightly with increased holiday demand.

### **Border Crossing**

Borders remain open for the flow of goods to Mexico. Our cross-dock operations are open and experiencing minimal to no delay in transit times to and from the US into Mexico. The situation in Mexico is increasing and has had impact on driver availability. Overall we continue to have daily crossings in each direction and continue to watch driver availability and border crossing openings closely.

Chuck Fries, VP Logistics & Planning



---

## Logistics and Supply Chain Update

### Supply Chain

**COVID related disruptions are minimal as suppliers have not communicated any new incidents of closure. However, lead times are extending across most semi's due to capacity constraints.**

**China:** No impact from factory operations. Delays expected from ocean freight services (*refer to logistics update*).

**Thailand:** No impact.

**India:** No impact.

**Japan:** No impact.

**Philippines:** No impact.

**Malaysia:** One supplier impacted but back to 90% staffing.

**Europe:** No impact.

**US:** No impact.

**Mexico:** One supplier coming back online from recent closure.

Seth Choi, VP Global Supply Management

