

A regular exchange of information with you is important to us. We are convinced that the basis for mutual success is dialog, which is why we at STEINEL Solutions are committed to open, customer-oriented and transparent communication.

With the new STEINEL News format, we would like to report to you three to four times a year on the most exciting news from STEINEL, inform you about current events on the procurement market, offer you some market news and provide you with a glimpse of technology.

## Raw material and supply chain management

### Security situation in the Red Sea

In the Red Sea region, there has been an increase in attacks on merchant ships and the security situation is constantly deteriorating. This is severely affecting sea freight transportation between Europe and Asia. Several major shipping companies have suspended passage through the Red Sea and the Suez Canal with immediate effect and are rerouting via the Cape of Good Hope. This leads to at least 10 days of additional transit time and consequently to delays, capacity bottlenecks and increased freight costs (war risk surcharges). Industry experts expect the rerouting via the Cape of Good Hope to absorb 20-30% of the available capacity. The situation will be further exacerbated by the Chinese New Year (10.02.2024), as many companies in China/Taiwan will be closed for up to six weeks and the interruption will massively overload the transport infrastructure before and after.

Some transport service providers are considering temporarily suspending rate and transit time agreements due to force majeure and offering customers alternative logistics solutions. (1)

### Price situation & delivery times

Prices in the semiconductor industry are currently rising. It should be noted that most manufacturers are not making completely new products (with the smallest structures) more expensive. In contrast, older products with larger structures are being deliberately made more expensive in order to push the switch to new products. Investments are only being made in new processes with small structures. Our industrial sector is being left out of the equation and is therefore not experiencing any significant improvements in delivery times or price reductions. (2)

Most of the major manufacturers are using delivery times of more than 20 weeks for components. This once again reflects the fact that we are unable to benefit from manufacturers' recent investments in new fabs for small structures. Due to the weakening Asian business, many manufacturers have also laid off employees who cannot be rehired immediately in the event of a turnaround. Increased delivery times in the second half of 2024 are therefore very likely. (3)

### Earthquake in Japan

On 01.01.2024, there was an earthquake in Ishikawa Prefecture in Japan with a magnitude of up to 7.6 on the Richter scale. Around a dozen electronics manufacturers operate in this region. Most of the factories are located in regions with seismic intensities of level 4 to 5, which is why there was hardly any damage to factory buildings or machinery.

However, one plant of the manufacturer Murata in Anamizu was massively damaged, which is why this manufacturer has announced «force majeure» for it. This plant will not be able to resume production until mid-May at the earliest. The components affected are known to us and are currently being purchased from various sources as a precautionary measure. In the few cases where this is not possible, alternative types from other manufacturers will be suggested to our customers for testing and approval. We are in constant contact with our suppliers to minimize the impact on the supply chain as much as possible. (4)

Sources: (1) [Dachser](#), (2) [Evertiq](#), Manufacturer information from Lattice: 2024 MLP Customer Letter 2023 11.pdf, (3) Own data from SAP, (4) [Trendforce.com](#), Murata Manufacturing Co., Ltd. notice letter force majeure event

Certifications and quality standards



**Recertification BSCI (Business Social Compliance Initiative)**

Amfori, formerly the Foreign Trade Association, the leading trade association in European and international trade, has recertified our STEINEL sites in Romania and Moldova as part of the BSCI (Business Social Compliance Initiative) for safe and fair working conditions.

One-Stop-Shop



**Did you know that we offer innovative plastic solutions for your individual requirements?**

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Events and trade fairs



**light+building**

March 3-8, 2024  
Frankfurt on the Main  
STEINEL booth 12.1 C61

STEINEL presents its «solutions for tomorrow». Meet our team and make an appointment now:



**embedded world  
Exhibition&Conference 2024**

April 9-11, 2024  
Nuremberg

Marcel Graber, Electronics & Firmware Engineer at STEINEL Solutions, will give a technical presentation on «Battery powered IoT Mesh Network using IEEE 802.15.4e» on April 11, 2024. Here you can find the program:



References



**As a one-stop shop, we offer comprehensive services that benefit customers from a wide range of industries**

These include a start-up company from Winterthur, which is launching the world's first battery-powered mini-steamer Steasy® - the future of cooking! STEINEL is supporting the development and industrialization of the innovative product and is production partner.

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