



# EEE Market Situation and Lessons Learnt

DEFENCE AND SPACE

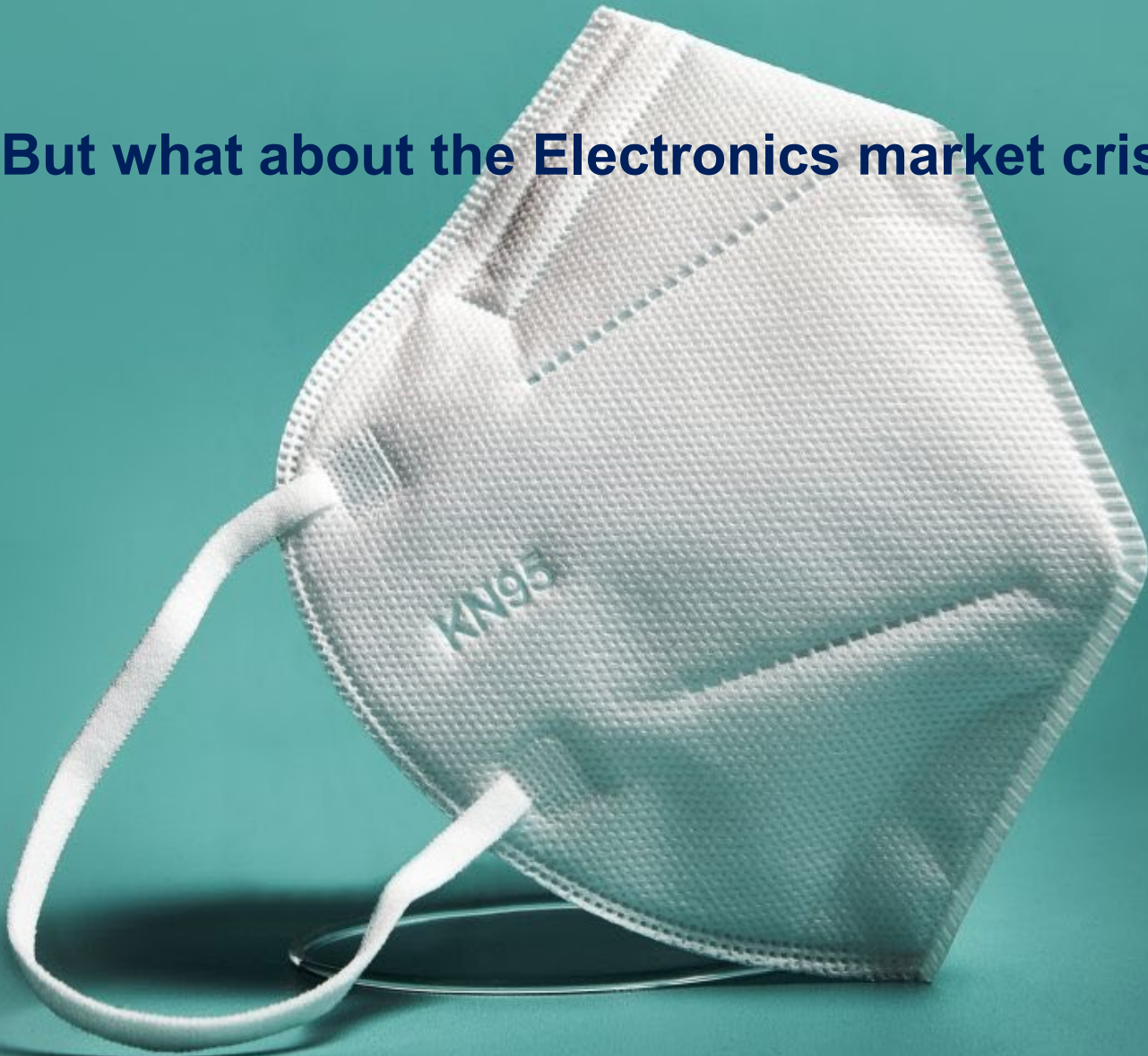
**Dr. Martin Veith**

Head of Electronics Commodity  
Airbus Group Lead Buyer Electronics

**AIRBUS**

**We have dropped the masks as COVID is over (we believe)**

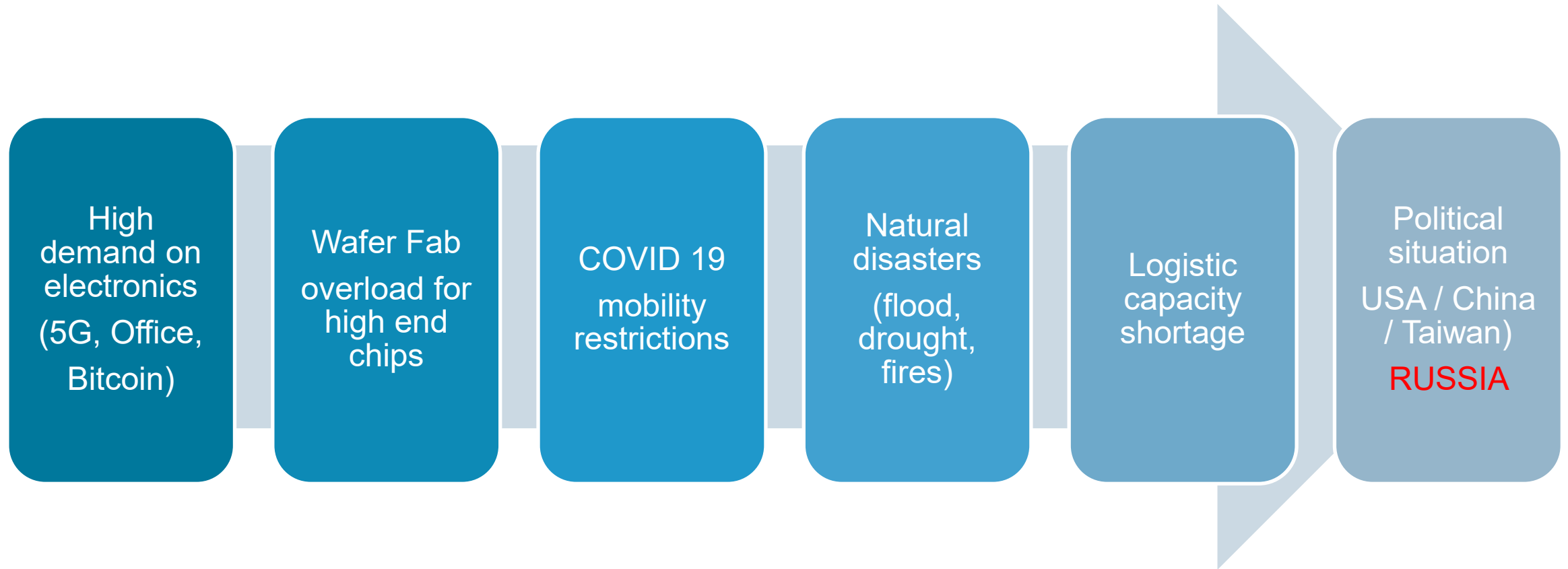
**→ But what about the Electronics market crisis?**



# Agenda

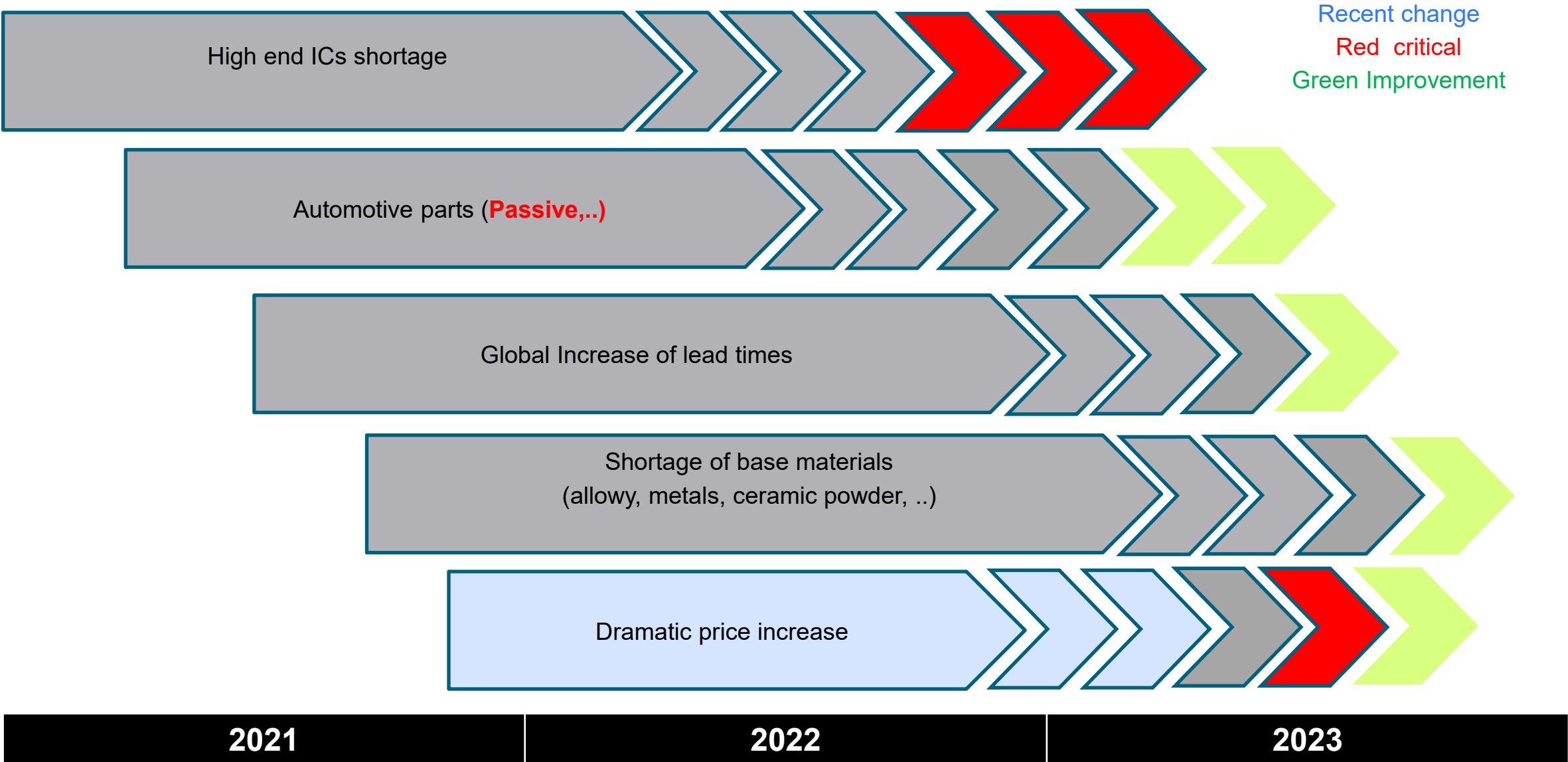
- Electronics Market Crisis Recap
- Current Situation
- Outlook
- Lessons Learnt

# Elektronics Market Crisis Recap – Multiple Disturbances



**„From Black Swan to a Perfect Storm“**

# Phases of the Crisis and Current Situation



## Market Outlook and Risks

- 10% drop in semiconductor market in 2023
- Ramp up of wafer fab capacity becoming effective
- Next demand increase projected for 2024
- Long term growth average > 6%
- High Volatility remains
- Risk of obsolescence for legacy technologies
- High level of demand on passives of Electric Vehicles

# Lessons Learnt - Increase Resilience of Supply Chain



- **Extended Forecastplanning & Commitments**

- Consider mid to long term needs
- Close cooperation and agreements with suppliers
- Plan contingencies in lead times



- **Stock Policy**

- Adapted and agile stock policy with clear KPI for ramp up and ramp down



- **Transparency and relation to supplies and partners (e.g. Tier 1 suppliers)**

- Joint investments
- Joint stock strategy
- Long term relation



# Lessons Learnt - Increase Resilience of Supply Chain

## Mitigation Strategies in Place

- Design-to-Availability
  - Early Involvement of design / adapt design process to market needs
  - Adapted and dynamic „LLI“ definition
- Spot Buying
  - Agile process to rapidly secure stock if needed – „Stock sells fast“

## Risk Management

- Full transparency on Supply Chain
- Identify common risk factors even on lower level
- Regular market analysis on disruptive risks
- Increase obsolescence monitoring esp. for legacy technology
- Second & Alternative Sourcing strategy
- Long term contracts with supplies





## Summary


Multiple faceted crisis  
affecting electronics market



Recovery under way but watch  
out for differences in speed



Volatility remains, next crisis to  
come



Robust and Resilient Supply  
Chain Process mandatory

Vielen Dank. Thank You. Merci. Gracias