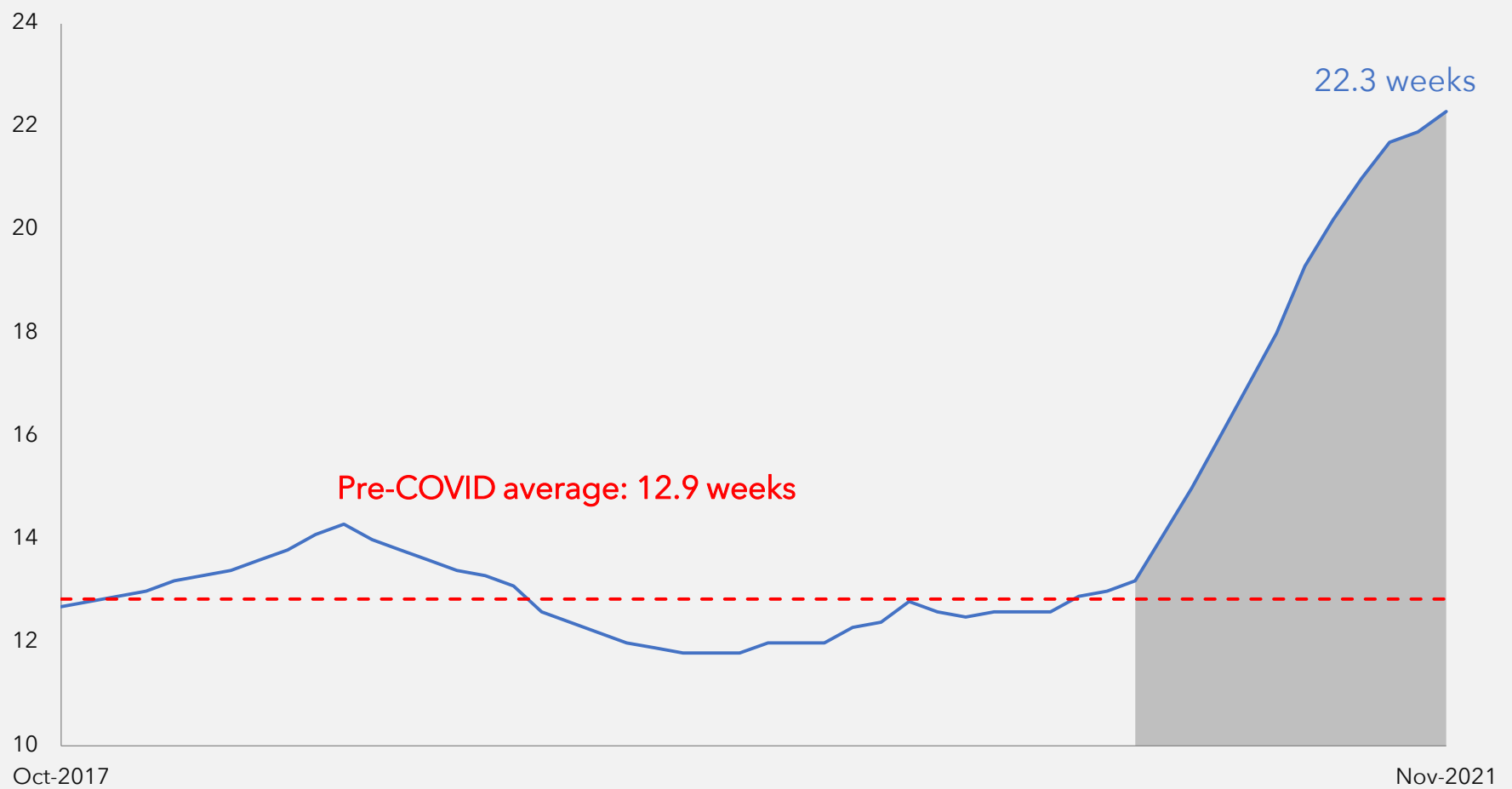


Chart of the Day

In November, the delivery lead time for new semiconductors increased to a record high 22.3 weeks, nearly double the pre-COVID average. Despite efforts from the Biden administration and US Congress to alleviate bottlenecks, the regionally specialized global value chain, surging global demand, and the rapid spread of the Omicron variant suggest disruption is likely to persist longer than previously anticipated. With much of East Asia committed to a “zero COVID tolerance” strategy, delays may get worse before they get better. In fact, many chip companies do not anticipate substantive improvement before the second half of 2022, or possibly later.

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Gap between ordering a chip and delivery, weeks



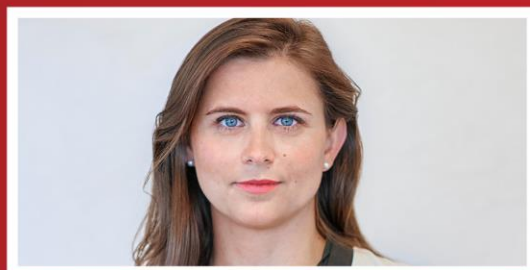
Source: (1) Bloomberg, “Chip-Delivery Wait Times Grow Again, Signaling Shortages Will Drag On” (December 8, 2021).

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