

American Portwell Technology - Risk Management on Coronavirus Outbreak

Update on 1/31/2020

Event and Approach

- To proactively communicate with Customers regarding recent Coronavirus outbreak.
- To advise customer of potential impact to Supply Chain as China has officially extended its Chinese New Year holidays to February 3.
 - <http://english.cctv.com/mobile/tuwen/index.shtml?articalID=ARTIKRxJOfg4JAYxHiOVbBvz200127>
- Local government such as Shanghai/Chongqing city; and Guangdong, Zhejiang, and Jiangsu Province are extending Chinese New Year to February 10.
 - <https://www.china-briefing.com/news/china-extends-lunar-new-year-holiday-february-2-shanghai-february-9-contain-coronavirus-outbreak/>
- Components and material supply will be impacted, with longer lead-time as workers may delay their return to work from quarantined areas.
- Shortages will occur if conditions worsen, such as further extension of the recess. Factory inventory could be depleted → the delay to major components will occur as major HUB and Supply Base of materials such as PCB, passives, cables, connectors, and power supplies residing in above cities and provinces.
 - <https://globalsmt.net/coronavirus-impact-on-electronics-supply-chain/>
- Product Availability lessened, Delivery Lead-time longer, Cost may go up, please have customer react ASAP.

Impact to Supply Chain & Action to Take

- **Manufacturing Lead-time**

- China extended CNY holidays to 2/3 and some city/province to 2/9
 - **Known customer material status getting worse as supplier claimed their China factory still off**
- Takes longer time to Resume normal production
- Mfg. lead-time expected to increase impacting Q1 supply vs. demand
 - Estimate: increase 4 to 6 weeks with current situation

- **Customer Communication**

- Let your customer know the facts and react quickly
- Early planning to increase volume and forecast horizon
- Place orders to consider this additional lead-time
- With the disruption in factory capacity, Supply vs. Demand will be biased
- Cost to go up as Allocation to Large OEM/Consumer Electronics trickles down to downstream supply chain

At a Glance

CORONAVIRUS

Links to News – January 31, 2020

- <https://www.nytimes.com/2020/01/31/world/asia/coronavirus-china.html>
- <https://www.mercurynews.com/2020/01/31/santa-clara-coronavirus/>
- <https://www.kiro7.com/news/trending/do-not-travel-china-state-department-issues-highest-advisory-level/RFZ3FLPNVVBMLNLCANDN37AK4Y/>
- https://en.wikipedia.org/wiki/2019–20_Wuhan_coronavirus_outbreak

Official Name – 2019-nCoV

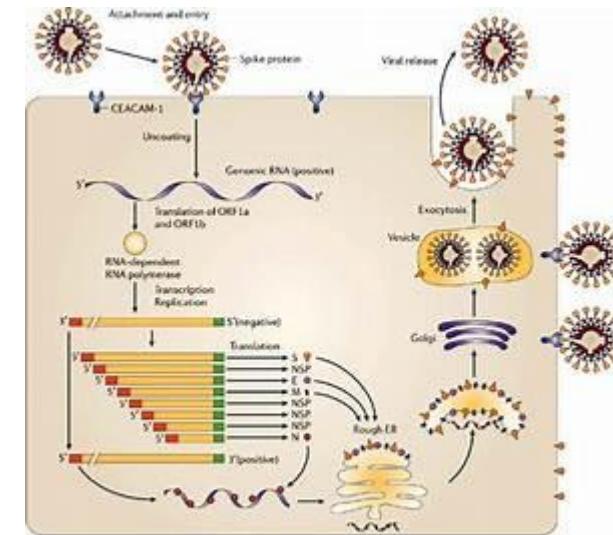
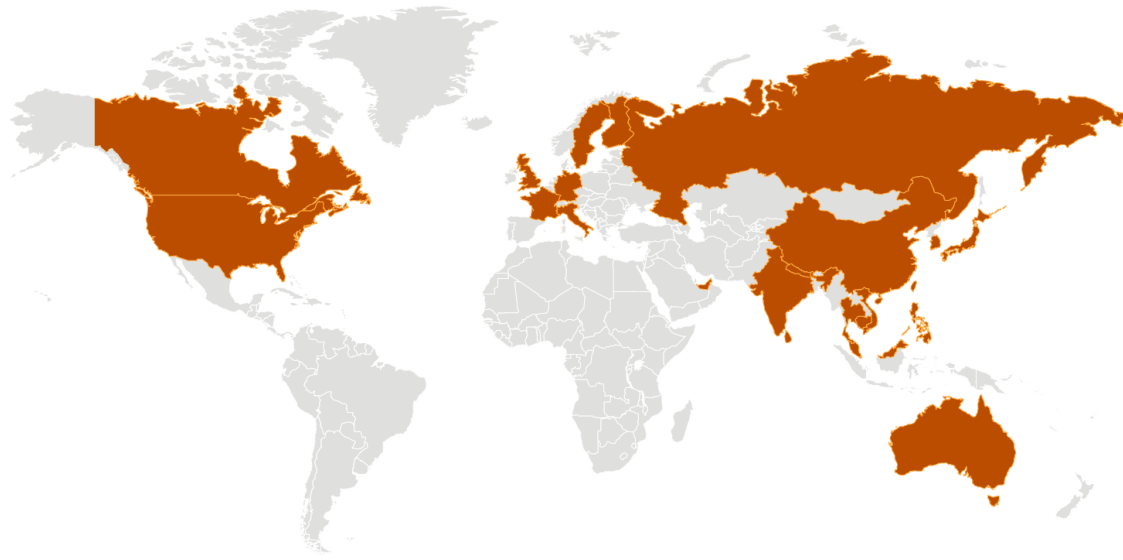
- Centers for Disease Control bulletin

[2019 Novel Coronavirus \(2019-nCoV\)](#)

The Centers for Disease Control and Prevention (CDC) is closely monitoring an outbreak of respiratory illness caused by a novel (new) coronavirus first identified in Wuhan, Hubei Province, China. Chinese authorities identified the new coronavirus, which has resulted in more than a thousand confirmed cases in China, including cases outside Wuhan City. Additional cases have been identified in a growing number of other [international locations](#), including [the United States](#). There are ongoing investigations to learn more.

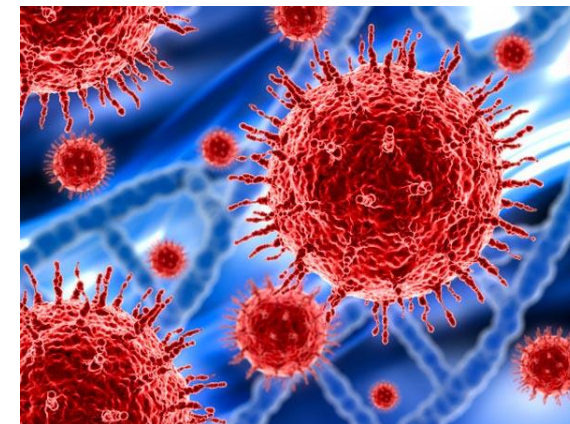
- <https://www.cdc.gov/coronavirus/2019-ncov/index.html>

Coronavirus – Infected Countries/Territories

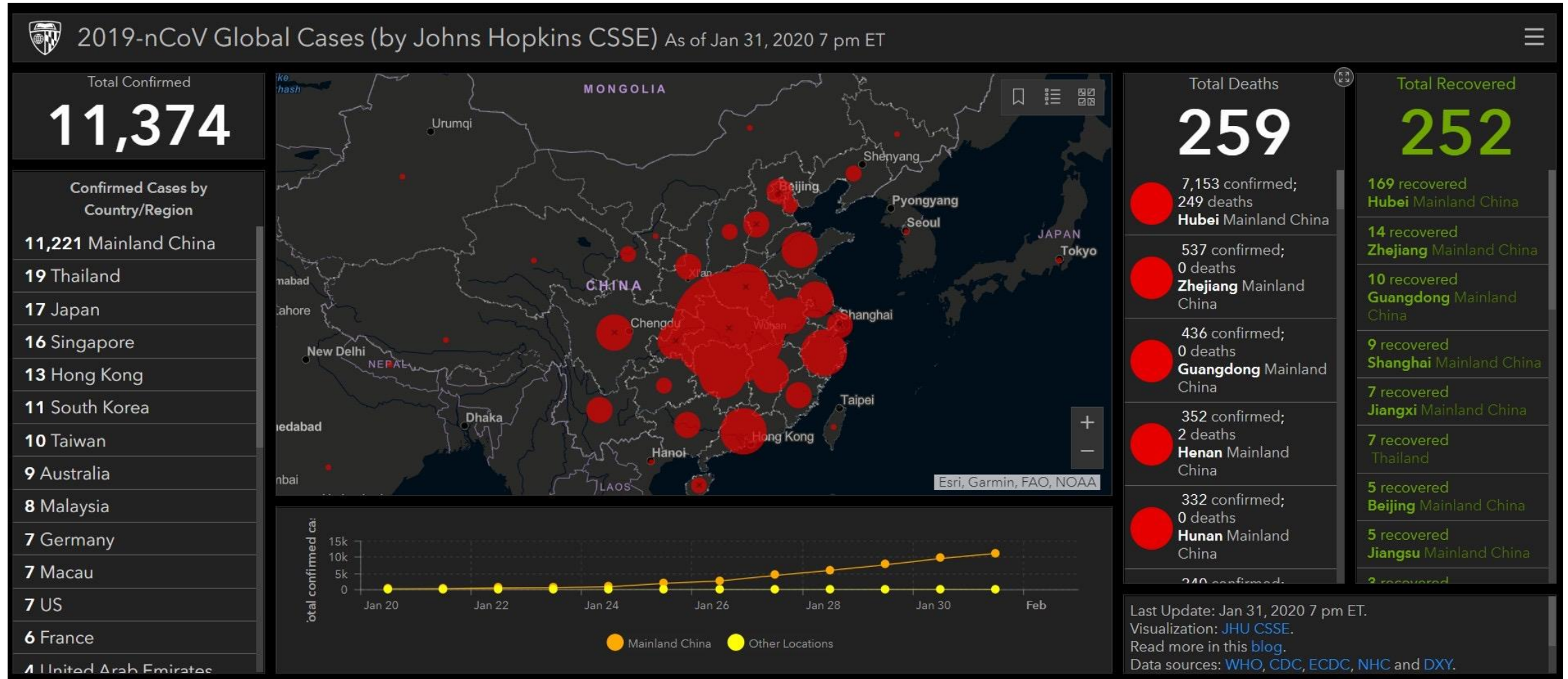


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Map of Infected/Latest Cases



Infection/Incubation/Symptoms

- **Infection**

- Close contact with infected patients
 - Coughing/Sneezing
 - 3 ~ 6 feet
 - Rubbing Eyes after touching surface or body

- **Incubation Period**

- Unknown
- Chinese health officials seem to think it could be contagious during the “incubation period”

- **Common human coronaviruses Symptoms**

- runny nose
- headache
- cough
- sore throat
- fever
- a general feeling of being unwell