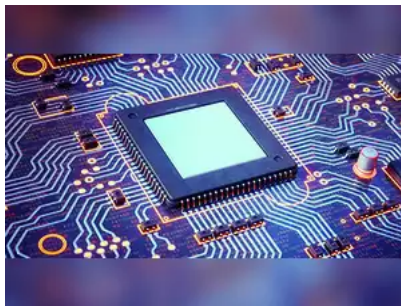


Electronics companies fear parts shortage

By Writankar Mukherjee, ET Bureau Last Updated: Jan 05, 2023, 10:15 PM IST

Synopsis

Several companies in India are trying to advance orders fearing disruption but suppliers are noncommittal with anywhere between 30% and 50% of their factory workforce down with Covid, the execs said. Chinese New Year is on January 22 with companies and factories shut for 10-14 days during the holiday period.



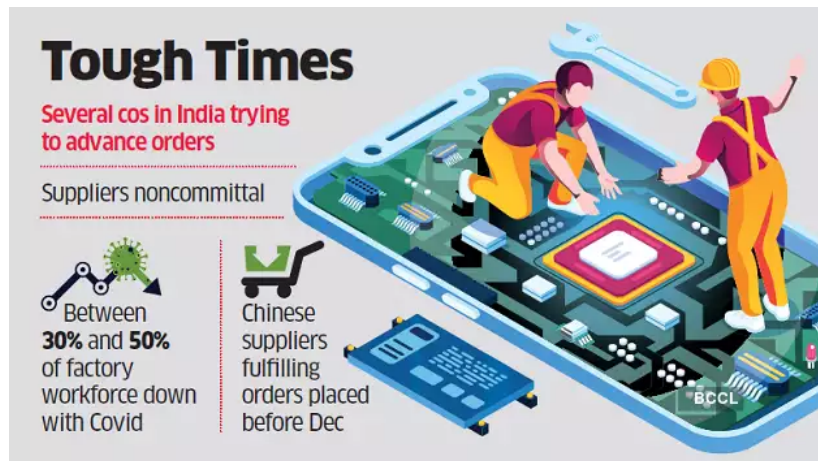
Consumer electronics and mobile phone manufacturers said there's high possibility of a product supply shortage in the country during the March-May period if the [Covid](#) wave in China continues beyond the Chinese New Year holiday later this month. Already, Chinese suppliers aren't assuring delivery timelines for orders placed in

the past few weeks due to Covid infections among employees, multiple executives said.

Several companies in India are trying to advance orders fearing disruption but suppliers are noncommittal with anywhere between 30% and 50% of their factory workforce down with Covid, the executives said. Chinese New Year is on January 22 with companies and factories shut for 10-14 days during the holiday period.

"If the Covid surge continues beyond the Chinese New Year as it is feared, there will be a massive shortage of components impacting availability of products like smartphones or electronics in March-May," said [Pradeep Jain](#), managing director of [Jaina Group](#), which manufactures smartphones and electronics for several companies besides retailing its own Karbonn brand.

Jain said Chinese component suppliers are currently fulfilling orders placed before December, while they are cautious on delivery timelines for orders placed after that. The Covid wave in China has disrupted production at component manufacturers, said [Atul B Lall](#), managing director of homegrown contract manufacturer [Dixon Technologies](#).



"There are also some delays in shipment due to disruption in loading operations at the ports," he said. "Somehow we have scraped through till now. In case the infection rate turns for the worse and continues beyond the Chinese New Year, then it can become a major issue." [Dixon](#) is one of the largest manufacturers of smartphones, laptops, televisions and appliances for several large brands.

Covid cases have been rising significantly in China for almost a month now after the government there ditched its zero-Covid policy, which had sparked protests and was hurting the economy. Some reports suggest hundreds of millions are infected, swamping the healthcare system. Chinese president [Xi Jinping](#) earlier this week said there are "tough challenges" due to the Covid surge. Public health officials in China have warned of Covid-19 outbreaks during and after the Chinese New Year as citizens travel to home after two years of strict restrictions.

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