Executive Summary of the SEMI Industry Survey on the Impact of COVID 19

Update: March 20, 2020

SEMI is collecting data from a wide variety of sources, including member surveys, industry calls and broader news channels. Since the virus first became apparent to the wider world, the only constant is that information is quickly changing and adjustments are being made. Initial surveys showed members anticipating that the virus would be contained to Asia. Clearly, that was not the case in our global economy.

From Asia to Europe and now North America, companies are activating business continuity plans and determining responses. Long-term impact is less clear, but we will share some observations.

Current Responses Across the Industry

SEMI member companies are adjusting operations rapidly around the world. They are applying lessons learned from supporting staff working-from-home (WFH) in China, and from keeping essential staff connected, across operations as the virus spreads. Many of these best practices are shared in detail on our website.

In general, business continuity plans are proving helpful in the situation, but there are some challenging realities, including: difficulties in implementing temperature screenings; connecting with suppliers of quality masks, sanitizers and similar supplies; establishing who are considered “essential” personnel; shift management; and how to keep employees healthy and safe. A standard approach is to rotate schedules for workers who must be onsite, as well as helping those workers maintain safe distances from each other.

Most companies have banned all non-critical travel, and quarantines are in place for those taking personal or business trips. Many are concerned about field-service engineers (FSEs) being able to get to sites for installations or maintenance – although less than half have seen any impact at this point. Fab operations, for both equipment and devices, are implementing stringent cleaning operations.

IT departments are reporting an increase in spam messages and sophisticated phishing attempts from outside emails. SEMI recommends alerting employees to be aware and safe when responding to emergency-like emails.

The good news is that internet and communication capabilities are proving strong and resilient. Communications within companies is a lifeline for many employees. Companies supplying services and software are seeing license requests increasing as employees are moved to WFH situations.

With substantial disruptions in supply chains of materials, equipment and services, companies are accelerating plans in place for dual-sourcing. Longer term we will likely see dual-sourcing as a key theme in business expansion and contingency plans.
Longer Term Impacts

With so much of the attention paid to the short-term effects of the virus, it is harder to predict longer-term impacts at a macro- and company-level. As economic activity is highly globalized, disruptions in business activity will have ripple effects that slow down economic growth as evidenced by China’s GDP decline in January and February.

We can only answer the question of “when will demand recover?” with guesses at this point. As the virus spreads globally, more cities and regions are shutting down, causing more consumers to be wary about spending. Analysts project that there may be a delayed V-shape recovery, or quite possibly W- or even U-shaped recoveries.

SEMI & McKinsey Webinar

Informing members of the latest COVID-19 findings and trends across the microelectronics supply chain is our highest priority. SEMI is conducting a joint webinar with McKinsey on Thursday March 26th at 4pm PT. During the webinar we will share insights gathered from this follow-up survey.

To register for this webinar, please click this link.

In Closing

SEMI is monitoring COVID-19 developments and advisories from the World Health Organization (WHO) and the U.S. Centers for Disease Control and Prevention (CDC). We have postponed or canceled many events already. Our decisions have included canceling SEMICON Korea 2020 and rescheduling SEMICON China and SEMICON Southeast Asia for later dates. If changes are made for any upcoming events, we will immediately notify event exhibitors, visitors and speakers. Find updates and changes at our Coronavirus Status Updates webpage.

Our goal is to help our member companies make informed business decisions during these highly challenging and uncertain times. To that end, SEMI has created a SEMI Responds webpage with best practices from our Environmental Health and Safety (EHS), Fab Managers (FOA) and Information Technology Leadership (ITL) groups. These are based on input from our member companies, and we greatly appreciate the contributions of the participating members.