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Industry Exec Briefing Vol. 3, Issue 18

The purpose of the IEB is to provide a high-level overview of the industries we work within, including our top suppliers, customer care vendors and everything in between from the previous week.

Hot Topics

Tariffs & Trade

- [SK Hynix Increases Production to Manage Chip Shortage] [Nikkei Asia](#) reports that SK Hynix is planning to increase capital spending to ramp up its chip production. The company is the second-biggest chipmaker in the world. It posted a 66% increase in profit for the first quarter of the year and is now planning to increase production to address the current shortage of chips.
- [TSMC Invests \$2.8 Billion in China to Boost Chip Production] [Nikkei Asia](#) writes that Taiwan Semiconductor Manufacturing Co. is expecting to invest \$2.8 billion in China to increase the production of semiconductors. The company plans to install new production lines at one of its existing plants in Nanjing. The new lines are expected to have a monthly production capacity of approximately 40,000 wafers and help meet the increasing demand for 28-nm automotive chips.
- [Taiwan Puts a Ban on Recruiting Chinese Employees] [Nikkei Asia](#) reports that Taiwan's labor agency in Taipei has placed a ban on posting job opportunities for Chinese employees. China has been aggressively recruiting top Taiwanese chip talent to establish a self-sufficient supply chain and counter the setbacks it has faced in semiconductor development. The move has caused a brain drain of tech workers from Taiwan. Staffing companies in violation of the ban will be subject to hefty fines.

Executive Movement, Releases and M&A Activity

- [AMD Reports Positive Revenue Outlook for 2021] [Bloomberg](#) reports that Advanced Micro Devices has released its sales forecast for the second quarter of the year. The company estimates its second-quarter revenue to be around \$3.6 billion. The company has also received a significant amount of money in capital investments with investors buying its stocks. The revenue outlook also indicates that the company expects to take market share from Intel Corp. and make the most of the current
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demand surrounding personal computers and servers.

- [Sony Experiences Decline in Profits] [Nikkei Asia](#) writes that Sony is facing a drop in profits for 2021. The company had a record-breaking year in 2020 when the COVID-19 pandemic bolstered demand for video games and other avenues for home entertainment. It expects slower growth in sales for this year.
- [Texas Instruments Reports \$4.29 Billion In Revenue to Beat Estimates] [Yahoo! Finance](#) writes that Texas Instruments has reported \$4.29 billion in first-quarter revenue, delivering a better-than-expected performance. Its earnings-per-share came out to be \$1.87. The company's operating income was also \$1.94 billion for this quarter.
- [Huawei Witnesses 16.5% Drop In Revenues for Q1] [CNBC](#) reported that Huawei has experienced a 16.5% decline in revenues on a year-on-year basis for the first quarter of 2021. The company reported a revenue of \$23.5 billion. US sanctions appear to have put a constraint on Huawei's consumer business. The company is unable to source key chip supplies required to produce its smartphones.
- [Wirtek Completes Acquisition of Core Technology and CoreBuild SRL] [GlobeNewsWire](#) reports that WirTek has successfully acquired CoreBuildSRL and Core Technology. The sister companies are located close to Wirtek's outsourcing facilities in Romania. The acquisition is part of Wirtek's Accelerate25 strategy and will provide the company access to several new clients in the USA, Germany, Romania, and the Netherlands and allow it to leverage various international sales channels.

Contract Manufacturers, Suppliers, & Logistics

- [Apple Cuts Back AirPods Production] [Nikkei Asia](#) reports that Apple has planned to reduce the production of its AirPods by 25% to 30%. The wireless earphones are receiving tough competition from Samsung, Xioami, and other tech companies, causing sales to decline. The company expects to produce 75 million to 85 million units in 2021. This is significantly lower than its previous production forecast of 110 million units.
- [Samsung Grabs 22% Market Share to Beat Apple] [CNET](#) writes that Samsung beat Apple in the number of worldwide smartphone shipments for the first quarter of 2021.

The company shipped 76.5 million units and was able to grab a market share of 22%. The company reported \$58.1 billion in revenue for the first quarter, benefiting from strong sales for its Galaxy S21 lineup.

- [Qualcomm to Partner with Vodafone for Open RAN] [Computer Weekly](#) reports that Qualcomm Technologies and Vodafone are partnering up to produce the technical blueprint required by equipment suppliers for building future 5G networks. The companies will be using Open RAN (Radio Access Network) technology and help bolster the pace of 5G innovation.
- [Apple to Cut Back Production of MacBooks and iPads] [NPR](#) writes that Apple has warned against a shortage of MacBooks and iPads. The company is unlikely to meet the current demand for these products due to the ongoing shortage of semiconductors. The lack of supply is expected to reduce the revenue for these products to \$3 billion or \$4 billion.

Sustainability

- [BMW Invites Startups for 360° Sustainability Challenge] [Automotive World](#) reports that BMW has announced its 360° Sustainability Challenge for auto startups. The companies can apply in 7 innovation areas to support sustainable mobility. These include sustainable supply chain, recyclable materials, mobile intelligence, energy-efficient production, customer-centric mobility, intelligent building management, and sustainable technologies.

For insight on commodities, please head over to the Commodity Corner. You can request a subscription [here](#) or reach out to Jia Yu (jiayumtv@google.com).

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