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# THE DOWNTOWN



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# ELECTRIFYING THE FUTURE: GROWING ELECTRIC VEHICLE MARKET

**-Sachin Sharma**

With Tesla electric vehicle giant confirming its entry in the Indian market the buzz around the electric vehicles have grown enormous in a couple of months. The electrification of transport will be a major trend in upcoming years.

This trend is backed by huge investments in Electric Vehicle sector and markets are reacting to it : the 700% year growth surge in China based electric carmaker NIO's stock value and Tesla 415% growth since January show that investors are excited about electric vehicles. Also, the market forces and green government policies are accelerating this shift.

Global sales of Electric Vehicles have risen dramatically in recent years 65% in 2019 but there was a decline in sales in 2020 by 25% due to the coronavirus outbreak. Despite these declining figures the electric vehicle demand is expected to rise according to a Bloomberg report.

With this growing market automobile companies are enormously investing in this sector. American Automobile giant General Motors announced to invest \$2 billion into six domestic assembly plants dedicated to manufacturing electric vehicles. Tesla is also planning to invest \$12 billion in production of new electric vehicles. Even the

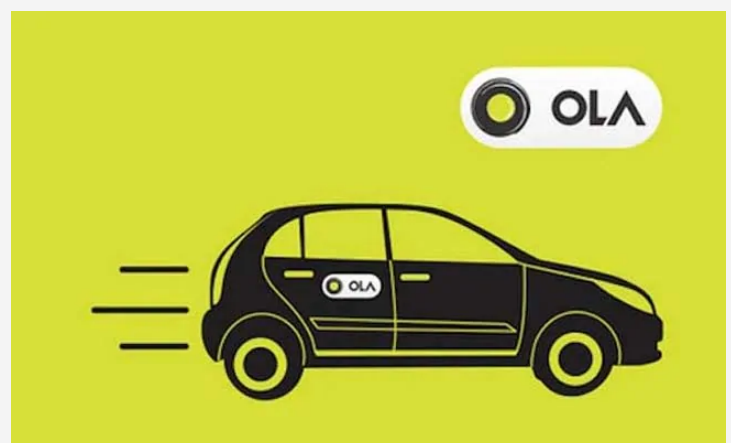
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IT IS BETTER TO FAIL IN ORIGINALITY THAN TO SUCCEED IN IMITATION.

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Indian automobile industry is going electric with Ola releasing its first electric Scooter in the market, Mahindra and Tata are also coming up with new electric vehicles.

Like the internet in the 90s, the electric vehicle market is already growing exponentially. By 2025 20% of all new cars sold globally will be electric, according to the latest forecast by the investment bank UBS. With consume consciousness on the rise and market forces gaining momentum, EVs are becoming future automotive industry. These forecasts are telling us that we are plugging into the future.



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# HOW HAS SHORTAGE OF SEMICONDUCTOR CHIPS AFFECTED THE GLOBAL SUPPLY CHAIN?

--Shubham Bando

Semiconductors are the foundation of the advanced technologies that we all rely on. From cellphones, laptops and washing machines to refrigerators, cars and airplanes. This is highlighted by global semiconductor sales increasing by 6.5 percent in 2020. And we are facing a shortage!

The global pandemic played a huge part in the current shortages. When the initial lockdowns triggered a collapse in car sales, automakers immediately stashed orders for parts. This including semiconductor chips—a typical new car can contain more than a thousand.

At the same time there was a huge surge in demand for consumer electronic. At the household, with 3 people working full time from home, we were getting regular deliveries of laptops, screens, webcams, microphones, back Fights and more. Within weeks, our on-Fine safes expanded to a new TV, a washing machine and other household devices. So, like any good business would, chip manufacturers saw the change in demand from consumers like me and shifted their output to serve that demand. But they couldn't get enough chips to meet the

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TRY NOT TO BECOME A MAN OF SUCCESS. RATHER BECOME A MAN OF VALUE.

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demand. While news reports on the semiconductor shortage have focused on the automotive industry, most consumer electronics and hi-tech companies will be feeling the exact same pressures.

Restoring the supply and demand balance will take time because semiconductor manufacturing is not suited to rapid and large shifts in demand. And as the overall demand for chips increases, the manufacturers simply don't have the capacity to meet the demand in the time require.

