

# Chips Are The New Oil

Just like oil in the 1970s, chips are the new indispensable commodity of the 2020s.

Except unlike oil, chips are easy for counterfeiters to make and fake.

Fraudsters use one of two methods to create fake chips:



1

Build from scratch by cloning



2

Recycle components from electronic waste and erase old markings, clean, and repackage to appear new



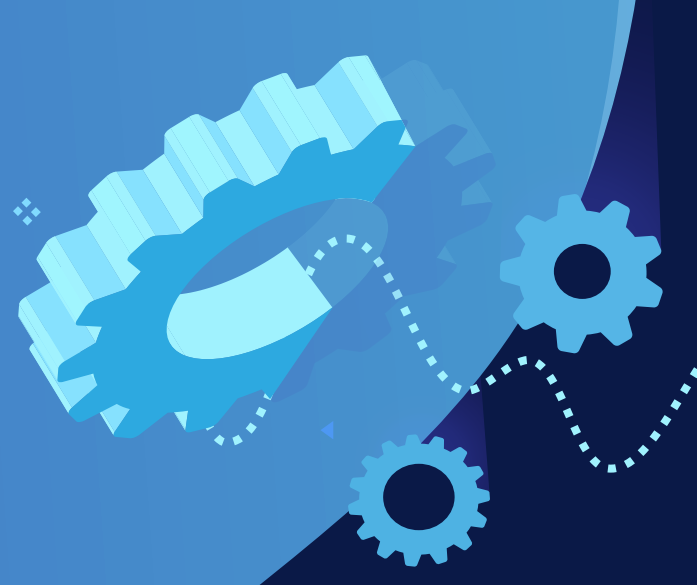
**BILLIONS** of transistors packed into a space the size of a dime make up a chip.



The journey from raw material to finished chip

takes about **85 DAYS**

and includes more than **1,000 STEPS**



Do you think a counterfeiter puts that much time and effort into making a chip?



Counterfeit parts cost semiconductor manufacturers more than

**\$7.5 BILLION**

annually in lost revenue.

This loss translates into

**11,000**

lost American jobs.

**\$169 BILLION**

in counterfeit parts are currently circulating in the marketplace.

Businesses are losing approximately

**\$250 BILLION**

each year because of these counterfeit components.



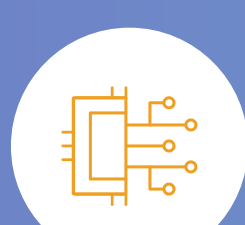
An estimated

**15%**

of all spare and replacement parts purchased by the Pentagon are counterfeit. When you consider the consequences that faulty chips could have on national security and American lives, a deceptively modest 15% becomes an alarming statistic.

**No chips. Fake chips. The chip issues are still with us.**

Opinions vary on when the shortage will end.



The CEO of chipmakers, STMicroelectronics, estimates that the shortage will end by **early 2023**



Automaker Stellantis, CEO, says that the shortage "is going to drag into **2022, easy**"



Intel CEO, Patrick Gelsinger, said the shortage could last **2 more years**

**One thing we can all agree on...**

It remains mission critical to purchase through authorized sources to protect the health, safety and security of everyone that depends on reliable electronic products and systems.

[Read the Blog](#)

Sources: Semiconductor Industry Association (SIA), *Industry Week*