

Pricing Increase of Teledyne Automotive Oxygen Sensors

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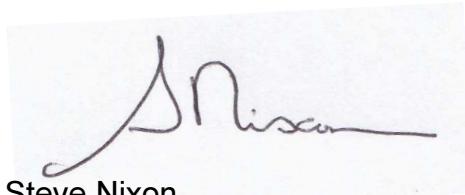
This month we increased the prices of Teledyne automotive oxygen sensors in reaction to significant increases in production and other associated costs. As you will be aware, we have maintained stabilized prices for many years; the last increase was in January 2017 and the one previous to that was back in May 2005. Earlier in the year the whole production process costs were analysed and unfortunately it transpired that the status quo of the automotive prices being at such a low market level could no longer be maintained. All associated production costs have increased over the last 12 months and some specific components have increased substantially. The current price increases have not been due to the effects of COVID19. The factory actually increased the costs without notice, but we did not adjust our pricing straight away as we had substantial stocks already in the supply pipeline. This coincided with the pandemic and the demand of automotive sensors dropped dramatically due to the effects of lockdown as well as the official postponement of MOTs. As instructed by government, the focus of the whole company was to prioritize the production of medical sensors and analysers for emergency ventilator projects.

We would usually provide 30 days' notice of any price increase, but the unprecedented circumstances and the sudden surge in demand for automotive sensors has restricted us from doing so. Even though the existing stock has been rapidly depleted much sooner than anticipated, we have honoured the pricing of all pre-existing orders.

The supply of sensors for non-medical sectors has been affected as the production of sensors worldwide has been focused on medical sensors. Going forward we have now secured manufacturing capacity for automotive sensors, which will remain in place unless there is another wave of COVID19. We will resume the supply of sensors such as the R-22A starting Week 32, then hopefully soon after we can resume the other variants. We do value your custom and may I ask you to please bear with us a little longer as we work through the back orders, please be assured that over the weeks and months to come we will endeavour to prioritize our existing customer base.

Should you have any queries, please do not hesitate to contact me.

Yours sincerely



Steve Nixon
Director – Viamed Ltd.