

Dubai, 31th January 2022

To: VIETTEL TANZANIA PLC

Attn: Mr. Nguyen Tien Dung- Acting Managing Director

Subject: **Increasing price of SIM card**

Dear. Mr. Nguyen Tien Dung,

First of all, on behalf of Workz Media FZ LLC, we thank you for your continuous strong support to Workz Media FZ LLC.

Global chip shortage is an ongoing crisis in which the demand for chipset is greater than the supply, affecting more than 150 industries and has led to major price increases, shortages and queues amongst consumers for SIM card, handsets, ..., and other products that require semiconductors.

As we start the new year, Workz would like to provide an update on the global supply chain constraints the industry has been facing over the last 18 months and the implications on procuring SIM cards. The global chip, PVC, and shipping container shortages remain challenges, not just for SIM manufacturers but most manufacturers ...even the likes of Apple.

From bidding time 18th October 2021 to now, price has been increased severely.

- Chipset price has increased 50% in Q4 2021, and in start of new year 2022 the price of chipset also increases 10% more.
- Per kg for plastic (PVC, film) increased by 23%.

There are heavy documents show that the global chipset crisis and price increase as below:

<https://asia.nikkei.com/Business/Tech/Semiconductors/Chip-prices-set-to-rise-into-2022-as-TSMC-hikes-rates>

<https://www.z2data.com/insights/semiconductor-price-increases-2021#:~:text=Automotive-,Record%2DLevel%20Semiconductor%20%26%20Component%20Price%20Increases%20in%202021,component%20prices%20continue%20to%20rise.&text=Taiwan%20Semiconductor%20Manufacturing%20Co.%2C%20the,by%20as%20much%20as%2020%25>

In addition, logistics costs also increase, even 250% from 2020 so it is making all costs increase.

<https://www.freightos.com/freight-resources/coronavirus-updates/>

Demand for SIM cards is fairly constant but may be higher than usual quite possibly due to stockpiling. As such we would recommend that you review your requirements for 2022 and place



necessary purchase orders and call-offs sooner rather than later to secure chip allocation and production slots.

Sincerely,
Workz Media FZ LLC

