

# Surging chip sales expected to reach \$680B in 2022

Article

**The news:** Semiconductor sales may be set to normalize after a record-setting 2021 predicated by various shortages and extended gaps between orders and deliveries.

**What this means:** Chip sales are expected to yield a record high of \$680 billion in 2022, growing by 11% YoY, [per](#) a study by IC Insights, and there may be some relief coming in the global chip shortage.

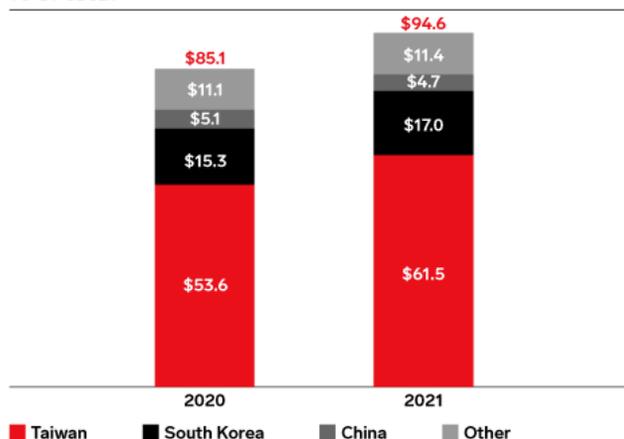
- Growth is expected to be slower than in 2021, when chip sales were up **25% YoY**, triggered by a global chip crisis and a rush to secure stockpiles in various industries.
- The shift to electric vehicles, as well as the **sustained demand** for PCs and smartphones, will continue to be key drivers for semiconductors, especially as people continue to work remotely and rely on networks and connectivity.
- Certain areas of the industry, like graphics cards and GPUs, continue to see shortages, mostly because of **cryptocurrency** miners, as well as scalpers hoarding boards to sell at three to four times the market price.

**What's next?** The chip shortage is expected to seep into 2023, which **we predicted**, although Deloitte's year-end **study** says it will be less severe.

- Demand in 2022 will be driven by investments in "AI, cloud and data center expansion, health care, and growing automotive applications," per Duncan Stewart, Deloitte's director for technology, media, and telecommunications.
- "Every end market for semiconductors is growing, and growing as fast or faster than ever before," Stewart said.
- The unpredictable nature of the COVID-19 pandemic, as well as various lockdowns and plant closures in Asian manufacturing hubs, can still affect chip supply and pricing.

### Semiconductor Foundry Revenue Share Worldwide, by Country, 2020 & 2021

% of total



Source: TrendForce as cited in press release; Insider Intelligence calculations, April 15, 2021

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