

Semiconductor firms can't find enough workers, compounding chip shortage

Article

The news: A survey from IPC found that **80% of chipmakers** are having a hard time finding employees with the right training to handle the highly toxic compounds used to manufacture

semiconductors, per Ars Technica. More than half of the companies surveyed by IPC said they expected the chip shortage to last until at least the second half of 2022.

What are the issues compounding the chip shortage?

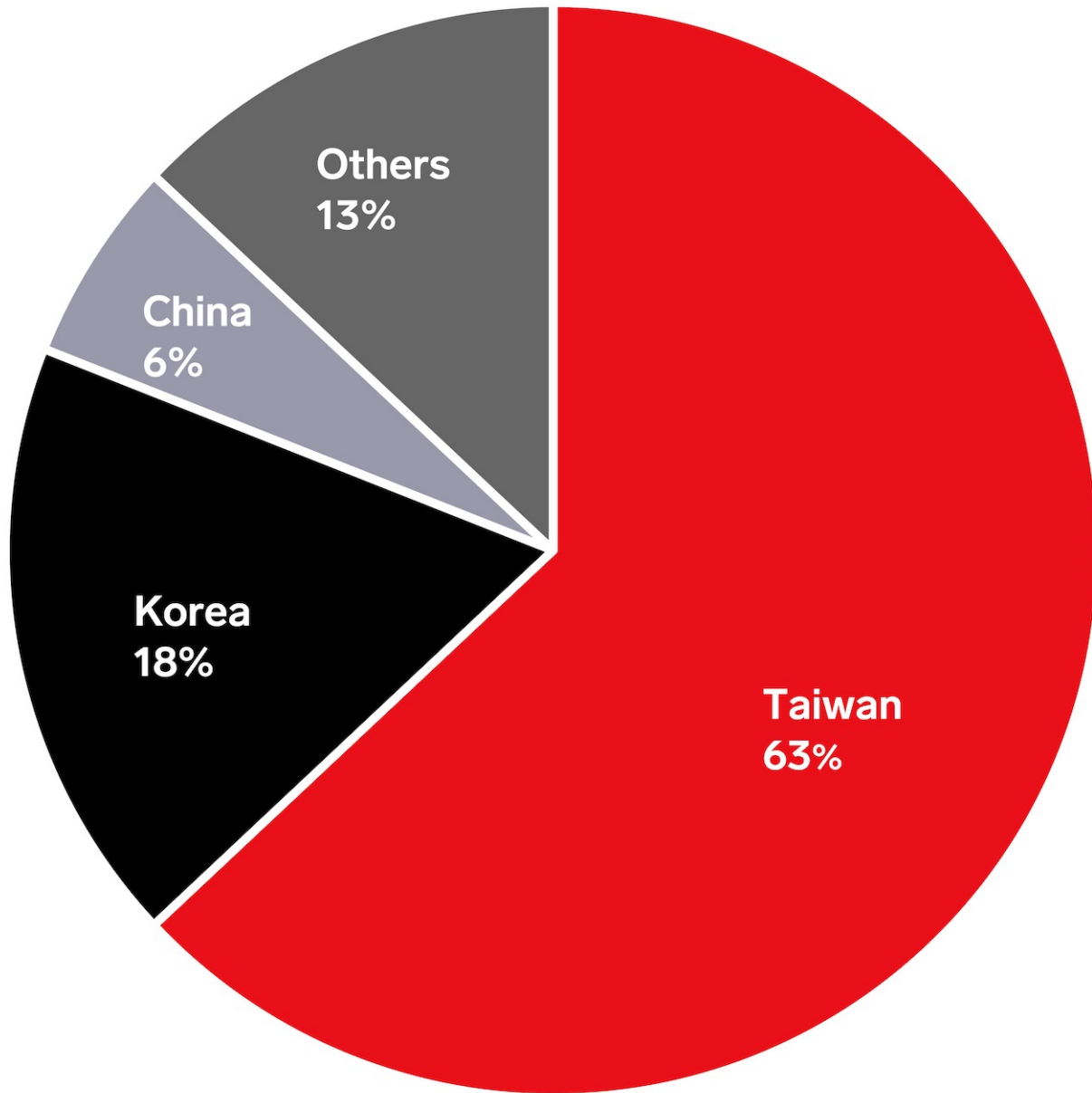
- Factories were shut down in various Asian manufacturing hubs due to the rise of COVID-19 cases.
- Droughts in Taiwan also impeded production due to stringent water use restrictions.
- **One-third of Asian chipmakers, 67% of North American companies, and 63% of European companies** say it's difficult to find qualified workers. North America and Asia also reported rising labor costs, which further complicates their factory staffing issues.
- Rising material costs, which are **up 90% globally**, are shrinking chipmakers' profit margins.

What's next? The litany of problems exacerbating the chip shortage could prolong recovery —which will affect various market segments.

- The auto industry **stands to lose \$210 billion in revenues** in 202.
- Smartphone-makers have similarly been forced to delay releases and ship fewer models.
- The PC industry is walking the tightrope between unprecedented demand and their chip stockpiles drying up.

Global Foundry Revenues, by Country, 2020

% of total



Note: Total foundry revenues totaled \$85.13 billion in 2020. Taiwan-based TSMC made up 54% of global foundry revenues.

Source: TrendForce, March 2021

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