

Global headwinds, weak demand to pull down revenues of semiconductor industry: Gartner

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Global headwinds, weak demand and oversupply of inventories are going to hit the semiconductor industry this year. Research firm Gartner has forecast that revenues of the industry is projected to be at \$532 billion in 2023, as against \$599.6 billion in 2022.

While the PC, tablet and smartphone semiconductor markets are expected to stagnate, the automotive, industrial, military/civil aerospace semiconductor markets will see growth. The automotive semiconductor market is forecast to grow 13.8 per cent, reaching \$76.9 billion in 2023.

OVERSUPPLY OF CHIPS

"As economic headwinds persist, weak end-market electronics demand is spreading from consumers to businesses,

creating an uncertain investment environment," Gartner said in its latest report.

"In addition, an oversupply of chips which is elevating inventories and reducing chip prices, is accelerating the decline of the semiconductor market this year," said Richard Gordon, Practice Vice-President at Gartner.

The memory industry is going to take a big time impact, with projections indicate a de-

cline of 35.5 per cent in 2023.

The memory market is projected to total \$92.3 billion, showing a decline of 35.5 per cent in 2023. However, the research firm asserted that this segment would bounce back in 2024 with a growth rate of 70 per cent.

The DRAM (Dynamic Random Access Memory) market will witness significant oversupply for most of 2023 due to weak end-equipment demand

and high inventory levels, the report said. Gartner analysts foresee DRAM revenue to decline 39.4 per cent in 2023 to total \$47.6 billion.

The research firm expects a similar trend in the flash memory market. The revenues are expected to decline by 32.9 per cent to \$38.9 billion in 2023. It would bounce back in 2024 by growing at about 61 per cent due to supply shortages.