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SEMICONDUCTOR INDUSTRY OUTLOOK 2026

The global semiconductor industry — a $923 billion ecosystem where design, manufacturing, and enablers converge

Upstream	Midstream		Downstream
Enablers Equipment manufacturers	**Design** Fabless + IP*	**Manufacturing** Foundry + IDM**	**Enablers** Packaging/Assembly

Share of industry revenue

40% | 40% | 20%

Design is highly concentrated, Nvidia commands the segment. Broadcom and Qualcomm follow at distance.

Manufacturing and enablers are globally distributed with no single dominant force.

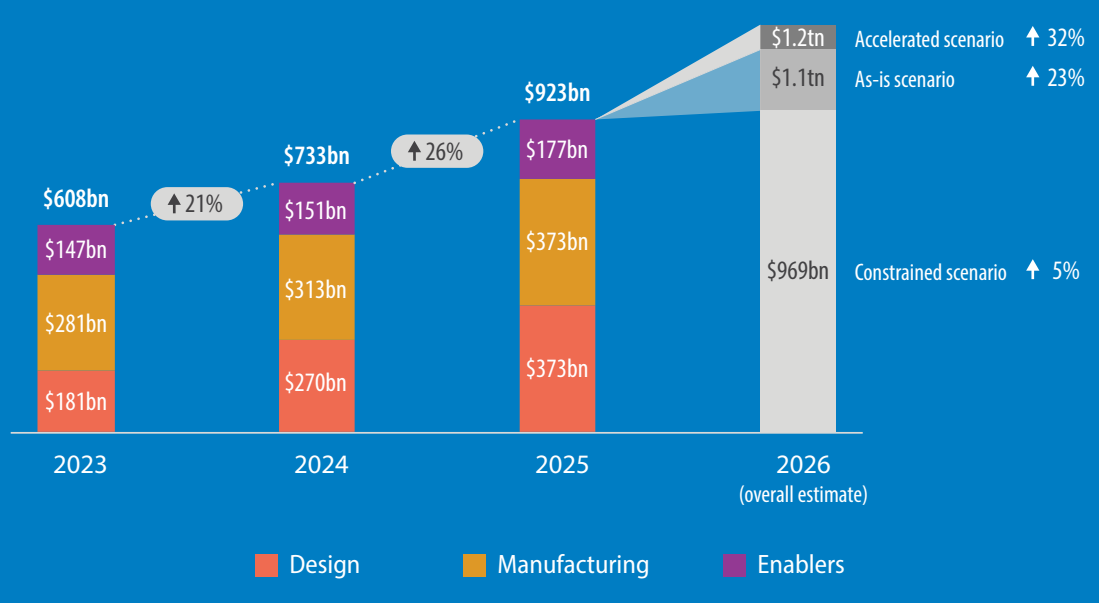
*IP – Intellectual property **IDM – Integrated device manufacturer

In 2025, the industry delivered its strongest performance yet...

- ↑ 26% yoy — Revenue growth
- ↑ 68% yoy — Net profit growth
- ↑ 16% yoy — CapEx growth

... and is on track to cross $1 trillion for the first time in 2026

Revenue for the past three calendar years, including 2026 estimates (US$)



Accelerated scenario: AI infrastructure spends hold strong

Constrained scenario: Supply chain bottlenecks, inflation, and softer demand

Strong demand, but structural headwinds are reshaping the path to growth...

Headwinds	Tailwinds
Constraints reshaping how growth is captured	Industries driving near- and long-term demand
Geopolitics and supply chain	Data centers, servers, and storage
Cost inflation across AI value chain	Automotive
Power and water consumption	Consumer electronics
Talent crunch	Industrial electronics
Cybersecurity and IP protection	Telecom

...and underneath the headwinds, five technologies are redefining the industry

- **Transition to advanced nodes** — TSMC and Samsung in a race toward 2nm and beyond
- **Custom silicon** — Custom ASIC growing three times faster than GPUs in 2026
- **AI-enabled manufacturing and design** — AI is now both the end product and the tool that builds it, influencing design automation and fab operations
- **Advanced packaging** — The new bottleneck, as well as profit center, expanding at a 10% CAGR through 2030
- **Memory market transformation** — DRAM revenue triples in two years, driven by HBM demand

Five moves that will define semiconductor leadership in 2026

1. Capitalize on AI-driven value pools, with caution
2. Build a talent strategy fit for an AI-native industry
3. Reconfigure supply chains for resilience
4. View advanced packaging as a value gate
5. Treat IP security as a strategic priority

Read the report, **Semiconductor Industry Outlook 2026**

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