

RESEARCH BULLETIN

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Semiconductor Sales To Rise at 7.1% CAGR Through 2026

Moderating growth rate from 2021-2026 follows strong 2016-2021 CAGR of 11.0%.

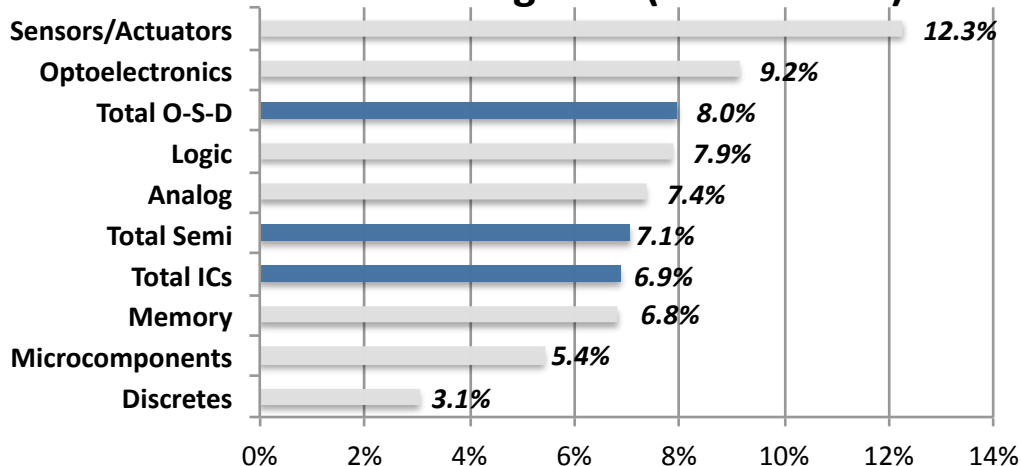
IC Insights has released its comprehensive forecast and analysis of the worldwide semiconductor industry in its January *Semiconductor Industry Flash Report*—part of the 2022 *McClean Report* service.

The report forecasts total semiconductor sales will rise 11% this year following a very strong 25% increase in 2021 and an 11% increase in 2020. If achieved, it would mark the first time since 1993-1995 that the semiconductor market has enjoyed three consecutive years of double-digit growth. From 2016-2021, the compound annual growth rate (CAGR) for the total semiconductor market was 11.0%—a very strong period that included a big surge in DRAM and flash memory markets in 2017 and 2018 and strong post-Covid recovery in 2020 and 2021. However, most industry observers—including IC Insights—realize that the semiconductor industry is very cyclical and ongoing annual double-digit gains are unsustainable. As a result, IC Insights now forecasts total semiconductor sales will rise over the next five years at a more moderate compound annual growth rate of 7.1% (Figure 1).

MORE INFORMATION CONTACT

Bill McClean
 President
 Phone: +1-480-348-1133
 Email: bill@icinsights.com

CAGR Sales Growth of Major Semiconductor Product Categories (2021-2026F)



Source: IC Insights

Figure 1

The 2021-2026 CAGR for total opto, sensor, discrettes (O-S-D devices) is projected to rise at a healthy rate of 8.0% and total IC sales are expected to increase at a slightly lower pace of 6.9%. CAGRs among major semiconductor product categories are forecast to range from a high of 12.3% for sensors/actuators to 3.1% for discrettes.

The sensors/actuators market (\$24.3 billion forecast in 2022) represents the smallest major product segment within the semiconductor market, accounting for less than 4% of sales. However, throughout the forecast period, sensor sales are expected to increase significantly in automobiles, cellphones, and portable and wearable systems (e.g., smartwatches and fitness/activity trackers). In addition, more systems are using multiple sensors and sensor fusion software for multi-dimensional measurements to support greater machine intelligence and the ability to recognize movement, know locations, and monitor changes in the surrounding environment.

The logic IC market is forecast to post the strongest CAGR among the major IC categories. The logic IC market has performed very well in recent years, with automotive—special purpose logic and industrial—special purpose logic devices serving as strong drivers for overall growth in this segment.

Report Details: *The 2022 McClean Report*

The January *Semiconductor Industry Flash Report* to the 2022 edition of *The McClean Report—A Complete Analysis and Forecast of the Semiconductor Industry*, has been released. A subscription to *The McClean Report* service includes the January *Semiconductor Industry Flash Report*, which provides clients with IC Insights' initial overview and forecast of the semiconductor industry for this year through 2026. In addition, *Quarterly Updates* to the report will be released in February, May, August, and November of this year. An individual user license to the 2022 edition of *The McClean Report* is available for \$5,390 and a multi-user worldwide corporate license is available for \$8,590. The Internet access password and the information accessible to download will be available through November 2022.

<https://www.icinsights.com/services/mcclean-report/pricing-order-forms/>

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About IC Insights

IC Insights, Inc., based in Scottsdale, Arizona USA, is dedicated to providing high-quality, cost-effective market research for the semiconductor industry. Founded in 1997, IC Insights offers coverage of global economic trends, the semiconductor market forecast, capital spending and fab capacity trends, product market details, and technology trends, as well as complete IC company profiles and evaluations of end-use applications driving demand for ICs.

Web Site: www.icinsights.com • **Phone:** +1-480-348-1133 • **E-mail:** info@icinsights.com