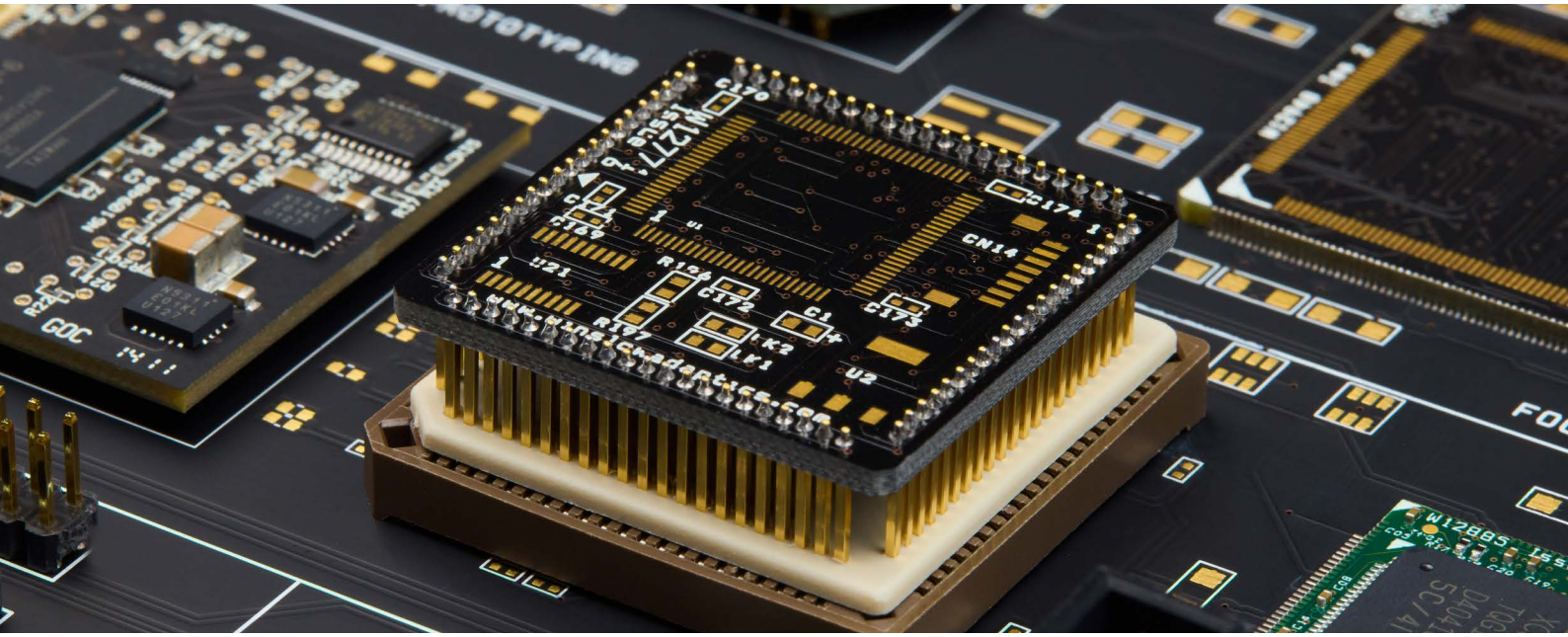
April 2025

Monthly Market Insights

Rebound Electronics

Market updates



Global Semiconductor Sales Surge 17.1% Year-on-Year in February 2025

Global semiconductor sales reached $54.9 billion in February 2025, marking a 17.1% increase from the same month last year and setting a new record for February sales, despite a 2.9% dip from January. This growth was fuelled by robust demand in the Americas, where sales jumped nearly 50% year-over-year, continuing a 10-month streak of double-digit annual growth.

Semiconductor Market Poised for Strong Growth Through 2030

The global semiconductor back-end equipment market is projected to grow at a CAGR of 6.89%, reaching $157.693 billion by 2030, driven by rising demand for compact electronic devices and advanced IC designs, stated in Robert Quinn's report. In February 2025, global semiconductor sales hit $54.9 billion, marking a 17.1% year-over-year increase, with the Americas leading at 48.4% growth.

Semiconductor Industry Reshapes with Strategic Moves and Market Realignments

Global semiconductor leaders are realigning to sharpen focus and strengthen supply chains. Bosch expanded its chip distribution deal with Arrow Electronics across EMEA to support smart automotive solutions. Intel is restructuring—selling a majority stake in Altera to Silver Lake for $4.46B and shifting 2nm production to TSMC while cutting 20% of its workforce. Nvidia is investing in U.S.-based AI chip production through alliances with major Asian partners, while Marvell offloads its Automotive Ethernet business to Infineon for $2.5B. STMicro reported Q1 revenue declines but expects recovery in Q2, and Samsung plans to exit DDR4 production by 2025 to concentrate on DDR5 and HBM chips amid shifting market demand.

Market Growth and Financial Outlook

As of April 2025, the global semiconductor industry is experiencing robust growth, driven by advancements in artificial intelligence (AI), high-performance computing (HPC), and increased demand across various sectors. According to Deloitte US research, the semiconductor market is projected to reach approximately $697 billion in 2025, marking a significant increase from $627 billion in 2024. This growth trajectory keeps the industry on track to achieve $1 trillion in sales by 2030.

AI and HPC Demand

The surge in AI applications, particularly generative AI, has significantly increased the demand for advanced semiconductors, including high-bandwidth memory (HBM) and AI accelerators. HBM revenue alone is expected to rise by up to 70% in 2025, reaching $21 billion.

Automotive Sector

The automotive semiconductor market is projected to exceed $100 billion by 2029, driven by the electrification of vehicles and the integration of advanced driver-assistance systems (ADAS).

Emerging Trends

Advanced Node Expansion

Leading foundries like TSMC and Samsung are accelerating the development and production of advanced nodes (2nm and 3nm technologies) to meet the growing demand for AI and HPC applications.

Sustainability Initiatives

The industry is increasingly focusing on sustainable manufacturing practices, including the use of renewable energy sources, eco-friendly packaging materials, and water recycling, to reduce environmental impact.

Geopolitical Factors

Trade tensions, particularly between the U.S. and China, are influencing supply chains and investment strategies. For instance, Intel is experiencing increased demand for older-generation chips due to customers stockpiling in anticipation of potential tariff increases.

Semiconductor Supply Chain April 2025 Overview

As of April 2025, the global semiconductor industry is undergoing significant transformations influenced by geopolitical shifts, regional investments, and evolving market dynamics. Here's an overview of the current landscape:

Geopolitical Shifts & Production Realignments

U.S.-China Trade Tensions: The semiconductor sector faces heightened uncertainty due to escalating U.S.-China trade tensions. The U.S. has imposed stringent export controls on advanced computing and semiconductor technologies to China, aiming to limit China's access to critical technologies. In retaliation, China has introduced tariffs of up to 85% on U.S.-made semiconductors, impacting companies like Intel, which relies heavily on the Chinese market.

Supply Chain Diversification: In response to geopolitical risks, semiconductor companies are diversifying their supply chains. This includes expanding manufacturing capacities in regions like Southeast Asia, Latin America, and Eastern Europe, and investing in alternative sources for critical materials to reduce dependence on any single country.

European Investments in Semiconductor Manufacturing

EU Chips Act: The European Union aims to double its global semiconductor market share to 20% by 2030 through the €43 billion Chips Act. However, the European Court of Auditors has criticised the strategy as "deeply disconnected from reality," citing fragmented investments, lack of coordination among member states, and insufficient funding compared to global competitors.

Private Sector Initiatives: Despite challenges, private investments are bolstering Europe's semiconductor landscape. Notably, Quintauris, a joint venture by companies like Bosch, Infineon, and Qualcomm, is advancing RISC-V based technologies to reduce reliance on non-European architectures. Additionally, UK-based Pragmatic Semiconductor has secured significant funding to expand its flexible microchip manufacturing capabilities.

Market Outlook & Emerging Challenges

Growth Projections: The global semiconductor market is projected to grow by approximately 15% in 2025, driven by surging demand in AI, high-performance computing, and automotive sectors. The power semiconductor segment, in particular, is witnessing significant growth due to the rise of electric vehicles and renewable energy solutions.

Talent Shortage: A critical challenge facing the industry is the shortage of skilled labour. Deloitte estimates that the industry needs to add over 100,000 skilled workers annually to meet demand. This talent gap is exacerbated by an aging workforce and the rapid pace of technological advancement.

Regional Dynamics & Competitive Pressures

South Korea's Strategic Investments: South Korea is investing approximately $470 billion over the next two decades to establish the world's largest semiconductor cluster. The country aims to increase self-sufficiency in essential materials and has already seen companies like SK Hynix surpass competitors in DRAM chip market share, fuelled by strong demand for AI applications.

Intel's Restructuring Amid Challenges: Intel is undergoing significant restructuring, including job cuts and reduced capital expenditures, in response to competitive pressures and trade uncertainties. The company reported a net loss in Q1 2025 and anticipates lower revenues in Q2, partly due to the impact of Chinese tariffs on its products.

In summary, the semiconductor industry in April 2025 is navigating a complex environment marked by geopolitical tensions, ambitious regional initiatives, and evolving market demands. Companies are adapting through strategic investments, supply chain diversification, and innovation to maintain competitiveness in this dynamic landscape.

Company Specific Updates

AMD

- AMD expects double-digit growth in 2025 fuelled by strong AI-driven $26 billion revenue, despite broader market volatility from new US tariffs.
- AMD and Samsung achieved the world's first 8K 120Hz gaming demo over HDMI 2.1 using an AMD PC and a modified Samsung Neo QLED 8K TV.
- AMD's upcoming RX 9080M mobile GPU is rumoured to feature 64 CUs, 16 GB VRAM, and 64 MB cache, likely debuting at Computex 2025.

Infineon

- Infineon's XMC7000 MCU now natively supports six major industrial protocols, streamlining real-time system development and connectivity.
- Rochester Electronics and Infineon are expanding support for HOTLink, HOTLink II, and a popular USB microcontroller to meet ongoing market demand.
- Infineon is acquiring Marvell Technology's automotive division for $2.5 billion to strengthen its Ethernet connectivity offerings for applications like smart vehicles and humanoid robots.

Intel

- Intel reported a Q1 2025 loss of $821 million and, under new CEO Lip-Bu Tan, signaled workforce cuts potentially exceeding 20% as part of a broader effort to streamline operations and revamp company culture.
- Intel announced that multiple customers are developing test chips using its upcoming 18A process, as the company pushes to rival TSMC and CEO Lip-Bu Tan reinforces its foundry ambitions with high-volume production set for 2025.
- At Auto Shanghai 2025, Intel debuted its second-gen AI-enhanced system-on-chip (SoC) for software-defined vehicles—the industry's first multi-node chiplet architecture—while announcing new strategic collaborations with ModelBest and Black Sesame Technologies to boost AI-powered cockpit and ADAS innovation.

Panasonic

- Panasonic Energy has been named the official battery cell supplier for Harbinger's medium-duty electric vehicles, supporting the development of next-generation commercial EVs.
- Panasonic installed 9,461 solar panels at its PAPAMY factories in Malaysia, aiming to achieve virtually zero CO_2 emissions by 2025 by generating around 5,900 MWh of sustainable energy annually and cutting 3,912 tons of CO_2 emissions each year.
- Panasonic Energy and Sumitomo Metal Mining are launching a nickel recycling project to recover nickel from battery production waste, aiming for a closed-loop system and 20% recycled cathode material in EV batteries by 2030.

Onsemi

- Allegro MicroSystems' stock fell 8% after Onsemi withdrew its $6.9 billion acquisition offer, citing Allegro's board's reluctance to engage despite an increased bid of $35.10 per share.
- Onsemi has halted investment in its SiC chip plant in South Korea due to a slowdown in Hyundai and Kia EV sales, shifting focus to a larger, more cost-effective facility in Czechia and recalling engineers from its Bucheon site.

Vishay

- Vishay Intertechnology has launched the ISOA200, a compact, AEC-Q200 qualified thick film power resistor with optional NTC thermistor and pre-applied thermal interface material, offering up to 200 W dissipation and simplifying high-power designs for automotive and industrial applications.
- Vishay Intertechnology's Israeli unit has signed a $105 million, 12-year power purchase agreement with Enlight Renewable Energy to supply clean electricity and reduce operational costs and environmental impact at its facilities in Israel.
- Enlight Renewable Energy has signed a $105 million, 12-year clean electricity deal with Vishay Israel, aiming to cut energy costs and emissions equivalent to planting 740,000 trees annually, with the option to increase energy consumption over time.

Texas Instruments

- Texas Instruments has launched a new suite of integrated ADAS chips—including LiDAR, radar, and clock technologies—designed to enhance automotive safety and support Level 3–4 autonomous driving, with innovations like hybrid sensor fusion, compact LiDAR drivers with longer range, and highly reliable BAW timing solutions.
- Texas Instruments forecasts Q2 revenue of $4.17–$4.53 billion and EPS of $1.21–$1.47, exceeding analyst estimates, driven by steady analog chip demand despite economic uncertainties and U.S. tariffs.
- Texas Instruments' DRV832x 3-Phase Smart Gate Drivers offer high-performance motor control with integrated features like a charge pump, adjustable slew rate, and current sensing, supporting up to 60V for applications such as BLDC motors and E-Bikes.

TDK

- TDK launched the HVC 5481G, a programmable gate driver SoC that boosts efficiency for automotive thermal systems by driving external B6 bridges with sensorless motor control.
- TDK Ventures launched a $150M Fund 3 to invest in early-stage deeptech startups driving sustainability, raising its total assets under management to $500M.
- TDK released new 100V MLCCs with a record-high 10µF capacitance in compact 3225 size, cutting component count and enabling automotive system miniaturization.

Market updates

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Jenny Ortilla

Senior Commercial Analyst

Preventing problems in your supply chain

enquiries@reboundeu.com