August 2025

Monthly Market Insights

Rebound Electronics

Market updates

Semiconductor Market Ends August on High Note with $346B H1 Sales

The global semiconductor industry closed August 2025 on a strong footing, propelled by AI-driven demand and continued policy shifts shaping the supply chain. According to the Semiconductor Industry Association (SIA), worldwide semiconductor sales for the first half of 2025 reached approximately US$346 billion, representing an 18.9% year-on-year increase, with second-quarter revenue alone hitting US$179.7 billion, up 7.8% from the prior quarter. These results, reported in August, underscore how momentum entering the second half of the year remains robust.

AI Chips Fuel Record Growth, but Export Curbs and Packaging Race Reshape Semiconductor Outlook

In terms of market drivers, AI and data-centre chips continue to dominate. NVIDIA's late August earnings showed record revenue in its data-centre segment, driven by strong adoption of its new Blackwell architecture, reinforcing that hyperscale AI remains the sector's most powerful growth engine. According to Reuters, export restrictions announced in August - targeting advanced GPU sales to China - could, however, reshape NVIDIA's and other suppliers' revenue streams, highlighting the industry's reliance on policy as much as technology.

Memory and advanced packaging are also in the spotlight. Samsung emphasised its high-bandwidth memory (HBM) roadmap at the Flash Memory Summit in early August, citing surging AI workloads as the catalyst. Similarly, TSMC reiterated in its August board disclosures that advanced-node and 3D-packaging capacity remain central to its long-term strategy.

Electronics Sector Strengthens as Server and EV Chip Demand Drive Upgraded 2025 Forecasts

The broader electronics sector is also benefiting. The World Semiconductor Trade Statistics (WSTS), updated in August, revised its 2025 global semiconductor forecast upward, citing stronger electronics content in servers, smartphones, and networking equipment. According to SIA, this reflects not only higher unit demand but also more silicon per device.

For automotive and electric vehicles, August highlighted a mixed picture. While inventory corrections continued to weigh on some automotive segments, demand for power electronics and ADAS processors accelerated. Market researchers such as Yole Group forecast multi-year double-digit growth for EV semiconductors, and August company results confirmed rising silicon content per vehicle.

CHIPS Act Negotiations and China Risks Push Chipmakers to Diversify

From a policy and investment standpoint, August was equally active. According to the U.S. Department of Commerce announcements covered by Reuters, ongoing CHIPS Act negotiations with leading foundries and Intel marked a pivotal moment in domestic capacity expansion. Export controls simultaneously pressured South Korean firms like SK Hynix and Samsung, who were asked to reassess operations in China, further accelerating "friend-shoring" and diversification of manufacturing bases.

Dual Forces Define Semiconductor Outlook: Tech Acceleration vs. Trade Risk

Looking forward from August, the semiconductor industry is positioned for a strong second half of 2025. According to SIA and WSTS, global sales are on track to approach the US$700 billion mark for the full year, with AI accelerators, memory, and advanced packaging capturing the bulk of incremental demand. Automotive and EV semiconductors remain a steady growth pillar, while policy developments, particularly U.S.–China trade restrictions, are expected to inject both risk and opportunity into global supply chains. In short, August 2025 confirmed the industry's dual trajectory: technological acceleration powered by AI, and geopolitical recalibration that continues to shape investment flows and market access.

Company Specific Updates

AMD

- AMD's unreleased Ryzen 5 5500X3D, a budget Zen 3 chip exclusive to Latin America, has surfaced on Geekbench showing a 12% multi-core uplift over the standard 5500 thanks to 3D V-Cache, effectively transforming a once underwhelming processor into a surprisingly well-rounded contender for both gaming and productivity.

- Nvidia and AMD will surrender 15% of their China chip revenues to secure U.S. export licenses for AI processors, but Beijing's state media blasted the deal by warning the H20 chips are insecure "backdoored" technology, underscoring how Washington's revenue grab may fuel China's push for semiconductor independence.

- AMD's Radeon GPU market share has collapsed to just 6% despite the launch of its RX 9070 XT, as inflated retail prices, weaker ray tracing and AI features, and Nvidia's dominant availability leave Team Red struggling while Nvidia commands a staggering 94% of the graphics market.

Infineon

- Infineon has partnered with Nvidia to supply 800V high-voltage power semiconductors for AI data centres, leveraging its wide-bandgap expertise to push efficiency above 94% and positioning itself to surpass €1 billion in AI-related revenues within two years.

- Infineon has completed its US$2.5 billion acquisition of Marvell's Automotive Ethernet business, bolstering its leadership in automotive semiconductors, securing a US$4 billion design-win pipeline through 2030, and expanding into emerging markets like software-defined vehicles and humanoid robotics.

- Infineon has fully switched its Villach semiconductor plant in Austria to on-site green hydrogen, using a 2MW Linde electrolyser powered by renewables to generate 290 tonnes of ultra-pure H_2 annually, eliminating fossil-based supply and cutting supply chain emissions while advancing its CO_2 neutrality goals.

Intel

- SK Hynix has officially taken full control of Intel's Dalian NAND flash and SSD plant, completing the transition from Intel ownership, consolidating its brand in China, and positioning the facility as a central hub in SK Hynix's memory supply chain amid tightening U.S. export controls.

- Intel shares rose nearly 6% even as President Trump floated semiconductor tariffs of up to 300%, driven by speculation that the administration could take a stake in the company to fund next-gen chip development, potentially positioning Intel as a "hero customer" amid broader industry headwinds.

- The U.S. government has converted part of Intel's CHIPS Act grant into a 10% equity stake, securing domestic semiconductor production, aligning national security with corporate strategy, and signalling a long-term commitment to American technological independence and AI leadership.

Panasonic

- Panasonic has expanded its air-to-water heat pump factory in Pilsen, Czechia, nearly tripling production space to 140,000 sqm, increasing capacity from 150,000 to up to 700,000 units annually, integrating advanced automation and in-house component production, while targeting zero CO_2 emissions and full unmanned operations by 2028 to meet rising European demand.

- Panasonic is investing $4 billion in a 4.7 million sq ft EV battery factory in DeSoto, Kansas, dramatically expanding U.S. domestic battery production, strengthening local supply chains, creating thousands of jobs, and positioning the region as a key hub for sustainable EV manufacturing.

Onsemi

- Onsemi leveraged high-quality, well-curated data and end-to-end "digital threads" to transform AI from a support tool into a core business driver, boosting technical support efficiency, enabling $100M in cross-selling opportunities, and embedding AI-first thinking across its 5,000-strong workforce.

- The company reported a sharp revenue drop in Q2 and forecasts weak Q3 profits, as slowing EV demand, high tariffs, and rising borrowing costs weigh on U.S. automotive chip sales.

- Onsemi plans to cut 9% of its workforce (2,400 jobs) and restructure operations to whether falling automotive demand and revenue declines while preserving R&D to stay competitive in AI and power semiconductor markets.

Vishay

- Vishay Intertechnology launched the TSM41 series - miniature, IP67-sealed, industrial-grade multi-turn SMD cermet trimmers that operate from –55 °C to +140 °C, offering space-saving design, high reliability, and automated PCB assembly for harsh environments.

- Vishay Intertechnology has launched the MKP1848e, an automotive-grade DC-Link film capacitor capable of high-temperature operation up to 125 °C, high humidity resistance, and high ripple current, designed for automotive, energy, and industrial power conversion applications.

- The company has introduced IHDM-1107BBEV-2A and IHDM-1107BBEV-3A automotive-grade edge-wound inductors with powdered iron cores, offering stable inductance, low losses, and soft saturation from -40 °C to +180 °C for high-current EV, HEV, and ICE power applications.

Texas Instruments

- Texas Instruments reported a post-tariff slowdown in chip demand following early 2025 order surges, noting that CHIPS Act funding remains as traditional grants without a government equity stake, contrasting with Intel's recent deal.

- Texas Instruments' $60 billion U.S. megaproject will build seven new fabs, including four in Sherman, Texas, to produce iPhone and other critical chips domestically, backed by CHIPS Act funding and state incentives, aiming to expand capacity, create 60,000 jobs, and leverage 300mm wafers for cost and energy efficiency.

TDK

- ASICS and TDK have launched a joint research project to develop next-generation sensing devices that visualise athletes' movements in real time, connecting coaches, developers, and athletes to enhance performance, support technical improvement, and accelerate sports product innovation, with practical implementation expected from 2027.

- TDK Ventures has invested in Bangalore-based Ultraviolette to support the growth of high-performance electric motorcycles, leveraging TDK's expertise in energy solutions and electronics to scale sustainable mobility in India and global markets.

Market updates

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Preventing problems in your supply chain

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