Wet Chemicals Market For Electronics and Semiconductor Applications - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 155 pages | Mordor Intelligence

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Report description:

The wet chemicals market for electronics and semiconductor applications is expected to reach USD 1,617.53 million by the end of this year and is projected to register a CAGR of over 8.5% during the forecast period.

The wet chemicals market for electronics and semiconductor applications was hampered by the COVID-19 pandemic in 2020. However, the increasing growth of the electronics industry is expected to positively impact the demand for the wet chemicals market for electronics and semiconductor applications in the near future.

Key Highlights
Over the medium term, rising demand from industries driven by modern technologies, along with surging demand for hydrogen peroxide from the semiconductor industry, is expected to drive the market's growth.
However, on the flip side, waste management of semiconductors is anticipated to hinder the market's growth.
Nevertheless, the recycling of semiconductors is likely to create lucrative growth opportunities in the studied market.
Asia-Pacific dominated the global market. It is also expected to register the fastest CAGR over the forecast period.

Wet Chemicals for Electronics & Semiconductor Applications Market Trends

Increasing Demand from Semiconductor Application

Wet chemicals are widely used in semiconductor production. They are used in both cleaning and etching applications. The

production of semiconductors is growing at a staggering pace due to rapid growth from various advancements such as artificial intelligence (AI), quantum computing, and 5G networks, which are estimated to drive the market for wet chemicals during the forecast period.

According to the World Semiconductor Trade Statistics, the global semiconductor market size accounted for USD 556 billion in 2021, registering a growth of 26.2% compared to USD 440 billion in 2020. Moreover, the global semiconductor market is expected to grow by 10.4% in 2022, which corresponds to sales of USD 613.5 billion.

In 2021, the Americas region showed a very strong 27.4% growth, Europe showed a marked increase of 27.3%, APAC showed a marked increase of 26.5%, while Japan showed a below-average growth rate of 19.8%.

According to the Semiconductor Industry Association (SIA), global semiconductor sales in September 2022 were 0.5% lower than in August 2022 and 3.0% lower than in September 2021. Worldwide semiconductor sales totaled USD 141 billion in the third quarter of 2022, a 3.0% decrease from the third quarter of 2021.

Further, the worldwide semiconductor sales totaled USD 152.5 billion in the second quarter of 2022, a 13.3% increase over the second quarter of 2021 and a 0.5% increase over the first quarter of 2022.

Moreover, the US government has made significant investments in chip production and research in the United States under the USICA act (The United States Innovation and Competition Act). In June 2021, the country allocated USD 52 billion to boost domestic chip production, research, and design.

Some of the biggest companies within the semiconductor industry include integrated device manufacturers (IDMs) like Intel, Samsung Electronics, SK Hynix, and Micron Technology.

Further, Samsung held the largest share of the global semiconductor market in 2021, generating more than USD 73 billion in semiconductor revenue.

The growth of semiconductors is due to continued robust growth in consumer electronics, computing, 5G, and automotive semiconductors. The growing demand for semiconductors is estimated to drive the demand for wet chemicals during the forecast period.

Asia-Pacific Region Expected to Dominate the Market

The Asia-Pacific region dominated the global market. With the growing demand for electronics in countries such as China, India, and Japan, the usage of wet chemicals is increasing in the region.

China is the most extensive base for electronics production in the world. China is actively engaged in manufacturing electronic products, such as smartphones, TVs, wires, cables, portable computing devices, gaming systems, and other personal electronic devices. In 2021, an increment of nearly 11.4% was witnessed in the previous year's export value of Chinese electronics] products. The revenues of significant manufacturers expanded by 16.2% on a Year-on-Year basis due to the consistent demand from the international market.

China is the net importer of semiconductor chips, with the country manufacturing less than 20% of semiconductors used. Owing to the lucrative demand in both domestic and international markets, in 2021, 38 of 86 Chinese-listed semiconductor companies announced net profits in their yearly sales, indicating a positive demand for the wet chemicals used in the industry.

China's integrated circuit industry has witnessed consistent growth in recent years owing to the vast market demand supported by favorable government initiatives. According to the data released by the China Semiconductor Industry Association, sales of Chinese integrated circuits touched CNY 1 trillion (USD 157.08 billion) for the first time in 2021. Even though China has increased its production capability over recent years, it still relies heavily on imports.

Further, in India, the domestic electronics manufacturing sector has been expanding steadily, owing to favorable government policies, such as 100% Foreign Direct Investment (FDI), no requirement of an industrial license, and the technological transformation from manual to automatic production processes. New incentives, such as Modified Incentive Special Package Scheme (M-SIPS) and Electronics Development Fund (EDF), have been started in the country with a budget of USD 114 million for the domestic manufacturing of electronics in India.

According to the India Electronics and Semiconductor Association, the semiconductor component market in the country is expected to be worth USD 32.35 billion by 2025. The ongoing "Make In India" initiative by the government is expected to result in investments in the semiconductor industry in the country.
Furthermore, the Indian Ministry of Electronics and Information Technology announced that companies will produce smartphones and other electronics components worth more than USD 143 billion over the next five years. Samsung and three contract manufacturing partners of Apple, along with 16 other firms, received incentives of USD 6.65 billion under India's plan to boost domestic smartphone production over the next five years. The growing local smartphone production in the country is expected to increase the demand for PCBs, thereby driving the market for wet chemicals during the forecast period.
All the aforementioned factors are expected to boost the overall demand for wet chemicals in the Asia-Pacific region during the forecast period.

Wet Chemicals for Electronics & Semiconductor Applications Market Competitor Analysis

The wet chemicals market for electronics and semiconductor applications is highly concentrated, with the top five players accounting for over 60% of the market share. The top five players in the market are CMC Materials, BASF SE, Avantor Inc., Honeywell International Inc., and KANTO KAGAKU.

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

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