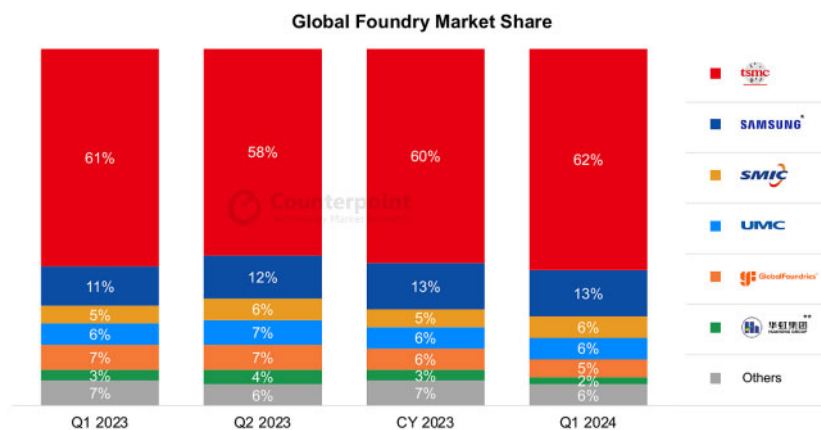


The Chinese chip manufacturer rose to rank third in the world

China's SMIC reached 6% market share and rose to become the third largest chip manufacturing factory globally, according to the chip manufacturing market report for the first quarter of 2024 by research company Counterpoint Research.

Specifically, SMIC achieved 6% market share, equal to UMC and surpassed GlobalFoundries (5%), entering the top three in terms of market share for the first time in the chip manufacturing segment. The top two positions are TSMC and Samsung with market shares of 62% and 13% respectively.



According to Counterpoint, the reason TSMC's market share increased, while UMC and GlobalFoundries both decreased is because the decline is also due to low demand for popular chips in smartphones, consumer electronics, IoT, automobiles and industry, while AI chips are still growing strongly.

UMC and GlobalFoundries, which produce a lot of smartphone and car orders. Meanwhile, SMIC mainly serves the Chinese market - which consumes nearly 50% of global semiconductor output.

The first quarter business report published by SMIC also shows that more than 80% of the company's revenue comes from domestic customers.

SMIC has been on the US sanctions list since 2020, so it is restricted from receiving new technology, such as ASML's ultraviolet lithography printers. However, the Chinese government has invested billions of dollars in the company to achieve technological independence.

Currently, SMIC is able to create 7 nm chips, contributing to the success of Huawei Mate 60 Pro last year.

To make a chip requires 3 steps including design, manufacturing and packaging. Currently, only Intel and Samsung are the two units capable of taking care of the entire process from design, production to packaging and testing of chips.

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