

Automotive industry must prepare for continuing chip shortage

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The chip shortage will cut global car production by a fifth by the year 2026, according to industry association VDA. But the high consumption is homemade.

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According to the industry association VDA, the ongoing chip shortage will continue to weigh on car production for some time to come. Global production is expected to fall by one-fifth by 2026, the VDA said in a study on Thursday. That would correspond to around 18 million vehicles. Already in 2021, nine percent fewer cars would be built due to the chip shortage. The VDA did not provide details on who prepared the study and who the authors are.

At the same time, semiconductor demand in the industry is expected to triple by 2030. The increase would be stronger than in other industries. By the end of the decade, automakers should have a 14 percent share of the chip market. This would make them the third most important chip customer after mobile communications and data storage. Chips with larger node sizes of 90 nanometers or more are particularly in demand, he said. The high demand is due in particular to the ramp-up of electromobility and an increasing proportion of driver assistance systems.

The European Union wants to promote the construction of chip factories in Europe through the "European Chips Act". Among others, the U.S. group Wolfspeed wants to build the world's largest silicon carbide semiconductor plant in Saarland, with the participation of German supplier ZF, according to a media report. Infineon has announced investments in Dresden, and Intel plans to build in Magdeburg with government support. According to a media report, however, the start of construction is delayed because of uncertainties about government funding. (Reuters)