

Samsung's emergence as No. 1 chipmaker over Intel shifts the focus from CPUs to high-demand RAM, SSD, and mobile chipsets

Article

The news: Samsung overtook **Intel** as the world's top chipmaker by revenue in Q2 2021, marginally beating Intel for the **first time in 25 years**, per CNBC. Samsung's total revenues of **\$19.7 billion** beat Intel's **\$19.6 billion**. Given the continuing global chip shortage, and Intel's persistent product delays, high demand for Samsung's variety of products is likely to help it remain on top for the foreseeable future.

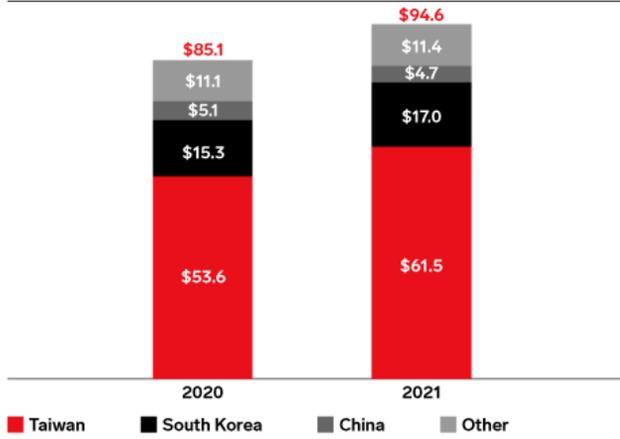
- This marks a massive and likely **continuous shift** from **PC processor-dominant** Intel to Samsung's widely-diversified product mix of **RAM, SSD storage, and mobile chipsets** which are in high demand heading into Q3.
- Intel is fast losing ground as a once-untouchable processor powerhouse. Marquee clients like **Apple, Microsoft, and Lenovo** have moved their products to their own or other chipsets.
- Intel pledged to reclaim its former glory by 2025, but only offered a new naming convention for its upcoming chips, as well as unveiled its foundry business to make chips for other companies.

What's next? Samsung's rise to No. 1 in revenue reflects the **consistent demand** for its various memory chips and components, most of which typically cost just a few dollars apiece, compared with hundreds of dollars for the CPUs that provide most of Intel's income.

Both companies need to continue making investments and expanding to remain competitive. Not only are they competitors in silicon manufacturing, but together with TSMC they comprise the major chip foundries which can define the future semiconductors essential for 5G cellular networks, self-driving cars, and AI.

Semiconductor Foundry Revenue Share Worldwide, by Country, 2020 & 2021

% of total



Source: TrendForce as cited in press release; Insider Intelligence calculations, April 15, 2021

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