

Intel could be the latest Big Tech company resorting to mass layoffs

Article

The news: Intel is reportedly planning thousands of layoffs as it faces declining sales of its consumer chips, [per](#) The Verge.

Effects of a declining PC market: A Bloomberg News report states a reduction in headcount is the chip giant's response to declining demand and [slowing PC sales](#).

- Job cuts, the biggest since 2016, will be Intel's latest step to stem losses. The company froze hiring in June.
- **The chip industry has collectively suffered a continuous slump**, with some warning of the worst downturn of the decade.
- Gartner reported a **19.5% YoY decrease in PC sales**, the steepest decline since the mid-1990s.
- Layoffs will likely affect Intel's sales and marketing teams, with 20% of those team members expected to be cut "as early as this month."

The bigger tech picture: Intel CEO **Pat Gelsinger** noted that the company will be "lowering core expenses in calendar year 2022 and will look to take additional actions in the second half of the year." This means the layoffs have likely been in the works for some time.

How the industry could respond: The news of impending Intel layoffs could alter a tech industry already battered by layoffs. If historically unshakable behemoths like Intel are resorting to staff cuts, then smaller companies have less chance of weathering the economic downturn.

- **Intel is resorting to massive job cuts while it's seeking \$15 billion in funding for factory expansion.**
- Cutting thousands of jobs to curb losses while spending billions of dollars on future chip fabs might be seen as incongruous by would-be investors and partners.
- **Future investments could pivot Intel away from its dependence on the PC market and toward alternative business models**, but these may be delayed by market conditions.

Top 10 Semiconductor Vendors Worldwide, by Revenues, 2020 & 2021

billions, % of total, and % change

	2020 revenues	2021 revenues	% change	% of total 2021 revenues
1. Samsung	\$57.18	\$73.20	28.0%	12.3%
2. Intel	\$72.76	\$72.54	-0.3%	12.2%
3. SK Hynix	\$25.85	\$36.35	40.6%	6.1%
4. Micron Technology	\$21.78	\$28.62	31.4%	4.8%
5. Qualcomm	\$17.66	\$27.09	53.4%	4.6%
6. Broadcom	\$15.75	\$18.79	19.3%	3.2%
7. MediaTek	\$10.99	\$17.62	60.2%	3.0%
8. Texas Instruments	\$13.62	\$17.27	26.8%	2.9%
9. NVIDIA	\$10.64	\$16.82	58.0%	2.8%
10. AMD	\$9.67	\$16.30	68.6%	2.7%
Other	\$214.98	\$270.35	25.8%	45.4%
Total	\$470.89	\$594.95	26.3%	100.0%

Note: numbers may not add up to total due to rounding

Source: Gartner as cited in press release, April 14, 2022

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