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THE DOWNTOWN

INSIDE THIS ISSUE

Global Oxygen Market

-Sanjiv Rathwa

Amid the pandemic, many sector has faced massive blows except Oxygen market. As it is driven by the growing prevalence of respiratory diseases among the population. The global oxygen market was worth $26.15 billion in 2020 and $27.26 billion in 2021. As it's expected CAGR is 8%, so it may reach $37.29 billion by 2025.

Generally, oxygen is majorly used in industries and in medical sector. The oxygen market is segmented into –

1. By product – Medical Oxygen, Industrial Oxygen, others.

2. By Application - Cosmetics, Pharmaceutical, Automobiles, Mining, Mineral Processing Applications.

3. By Industry - Metallurgical Industry, Chemical Industry, Health Care Industry, Others

Industrial oxygen market was largest segment contributing 77.4% of oxygen market in 2019. But medical oxygen market is the fastest growing segment of oxygen market at CAGR of 5.0%. Due to high demand of oxygen among COVID patients and increasing prevalence of various diseases related to breathing problems contributed to the global oxygen market's growth.

The Asia pacific was the largest region contributing 40% to the oxygen market. The Middle East, and Africa are the region where oxygen market is growing fast at CAGRs of 3.5% and 3.4% respectively during 2019-2023. Followed by Eastern Europe, and South America at CAGRs of 2.2% and 1.3% respectively.

In oxygen market, there are small number of large players. Following are the major player of oxygen market:-

1. Air Liquide

2. The Linde Group

3. Mitsubishi Chemical Holdings Corporation,

4. Air Products and

5. Chemicals Inc.

The medical oxygen market with small number of players and rising demand of oxygen in healthcare sector is full of opportunities for gains.

The Global Chip Shortage

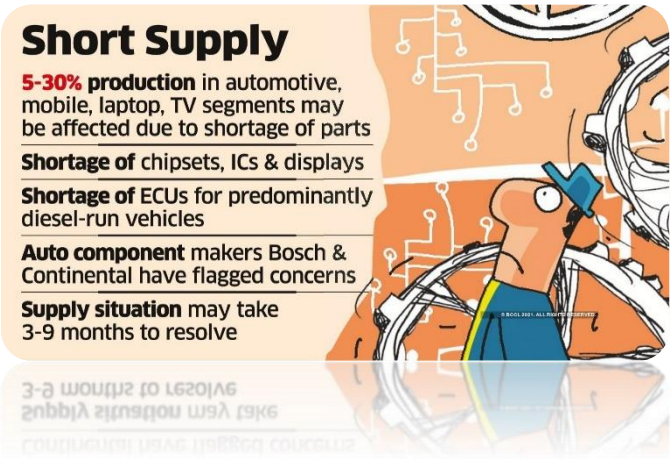
-Hardik

Just search for laptops, gaming consoles or any other electronic item on your favorite shopping website and the one thing you'll find in common is that they are either 'out of stock' or priced very exorbitantly. This is due to the global shortage of semiconductors, which is not showing signs of coming to an end anytime soon and it likely to affect the production of everyday products like microwaves. In January, the semiconductor sales saw an increase of 13.2% compared to the same time of last year, reaching to about 40 billion dollars. The chip manufacturers are producing the semiconductors at their full capacity but the demand is outpacing the supply.

Why this shortage?

This shortage of semiconductor is caused primarily due to COVID-19. When the lockdown was imposed last year and the companies sent their employees back home to work remotely, the demand for PCs, laptops, tablets, etc. surged. Also, users turned to new forms of entertainment to pass their time during months of lockdown, ranging from gaming to cryptocurrency mining which further contributed to this shortage.

Geopolitical tensions between China and the US has led to Chinese tech companies to aggressively stockpile chips and chip-making equipment in anticipation of US Sanctions, and it's easy to see why getting your hands on a new smartphone is not an easy task these days.



According to Glenn O'Donnell, research director at Forrester, there is yet another consequence of the shortage i.e. the ripple effect that semiconductors might have in other markets. Economic growth could slow and inflation is likely to see at least a momentary bump higher as the semiconductor shortage worsens. It is anticipated that product supply chains will be stressed for another two years.

Governments are also coming under pressure to take action. The Biden administration has promised to take "aggressive steps" to tackle the shortage. Last week, the EU Commissioner Thierry Breton also met with Intel and TSMC to present the bloc's strategy to increase European semiconductor production.

Chip manufacturers are also trying to build up capacity. Intel has decided to spend $20 billion to build two new chip factories in Arizona, while expanding facilities in the US and Europe; TSMC has pledged $100 billion to boost capacity. Increasing manufacturing capacity, however, takes time and can take up to two years to construct a new facility.