PRODUCTION FORECASTS FOR THE GLOBAL ELECTRONICS AND INFORMATION TECHNOLOGY INDUSTRIES

December 16, 2025

JEITA

JAPAN ELECTRONICS AND INFORMATION TECHNOLOGY INDUSTRIES ASSOCIATION

FOREWORD

In 2025, global growth is expected to slow as countries adapt to increasing protectionism and fragmentation. In its October 2025 World Economic Outlook, the IMF forecast that the 3.3% lift in the 2024 real economic growth rate would be followed by a 3.2% increase in 2025 and a 3.1% increase in 2026, anticipating growth holding above 3% but with slightly less momentum. Geopolitical risks remain a concern alongside protracted uncertainty and growing protectionism, with international cooperation and policy responses holding the key to economic stability.

Given the economic environment, the annual industries survey conducted by JEITA estimated that production by the global electronics and information technology industries would rise 11% year on year to $4,118.4 billion in 2025 and 10% year on year to $4,510.3 billion in 2026. In 2025, the proliferation of generative AI led to the expansion of data centers and the cloud services market, pushing up demand for high-performance servers and semiconductors. Solution services also surged, contributing to electronics and IT industry growth. IT and digital investment should continue to climb in 2026, with the electronics and IT industries underpinning and driving sustained global economic growth and innovation particularly through AI and semiconductors. Global production by Japanese electronics and IT companies is expected to lift 2% year on year in 2025 to ¥41,800 billion and 3% year on year in 2026 to ¥43,100 billion. Echoing market trends in global production, major growth is anticipated for electronic components, semiconductors, and solution services.

In our sixteenth “Trends Survey of Focused Areas,” JEITA took up the theme of “Data Center Trends.” The survey looks at the prospects for the data center services market and related product markets through to 2030. It identifies the social challenges accompanying data center market growth and lays out a strategy for Japan to build competitive data center infrastructure that solves these challenges.

JEITA as Japan’s leading digital industry association will strive to create digital technologies, improve business conditions, and enhance the industry’s global competitiveness, while also aiming to resolve social challenges toward realizing Society 5.0. We will continue to work closely with our members, the government, and related institutions to fulfil our responsibilities in terms of solving social challenges and revitalizing the Japanese economy.

We hope that this report will prove to be a valuable resource for the industry and the wider community.

December 2025
Kei Uruma
Chairperson
Japan Electronics and Information Technology Industries Association (JEITA)

PRODUCTION TRENDS IN THE GLOBAL ELECTRONICS AND INFORMATION TECHNOLOGY INDUSTRIES (IN DOLLAR TERMS)

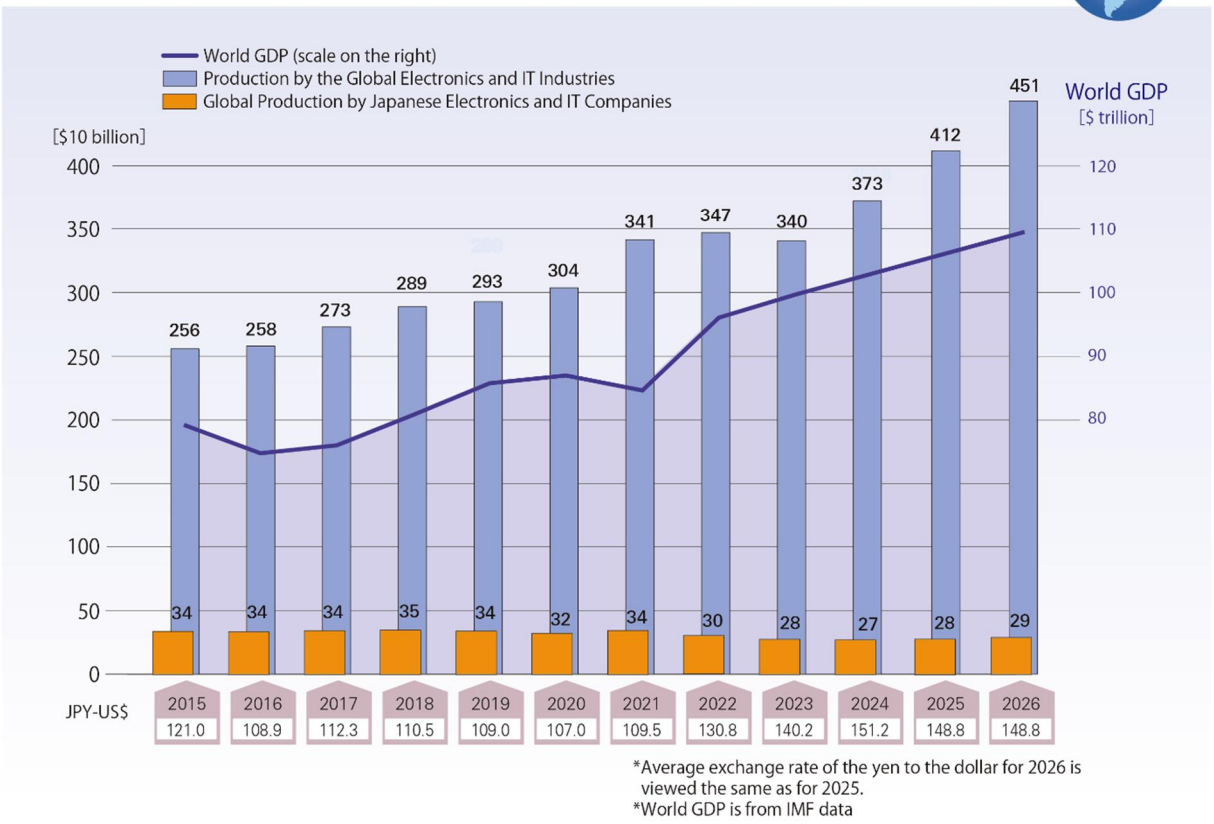
Total global production by the electronics and IT industries is expected to climb 11% year on year in 2025 to $4,118.4 billion, showing positive growth. Increasing use of generative AI and the advance of IoT technologies lifted demand for new services, giving a boost to solution services. The strong performance of electronic equipment and electronic components and devices on the back of global IT and digital investment growth should keep these segments in positive territory. In 2026 too, ongoing IT and digital investment should produce positive growth of 10% year on year to reach $4,510.3 billion.

[Production by the Global Electronics and IT Industries (in dollar terms)]

Production by the global electronics and IT industries is expected to grow 11% year on year in 2025 and 10% in 2026. While the global economy remains steady thanks to growing AI demand and some governments' fiscal policies, the ongoing uncertainty around tariffs and geopolitical risks have created a sub-optimal economic climate. The global electronics and IT industries, however, should enjoy positive growth again in 2025 as the advance of digitalization pushes solution services to new heights. With governments pursuing digital transformation (DX) through generative AI and other innovative technologies so as to transform society and industries and realize economic growth, demand will increase for solution services, as well as for semiconductors for AI servers. We consequently anticipate positive growth continuing in 2026.

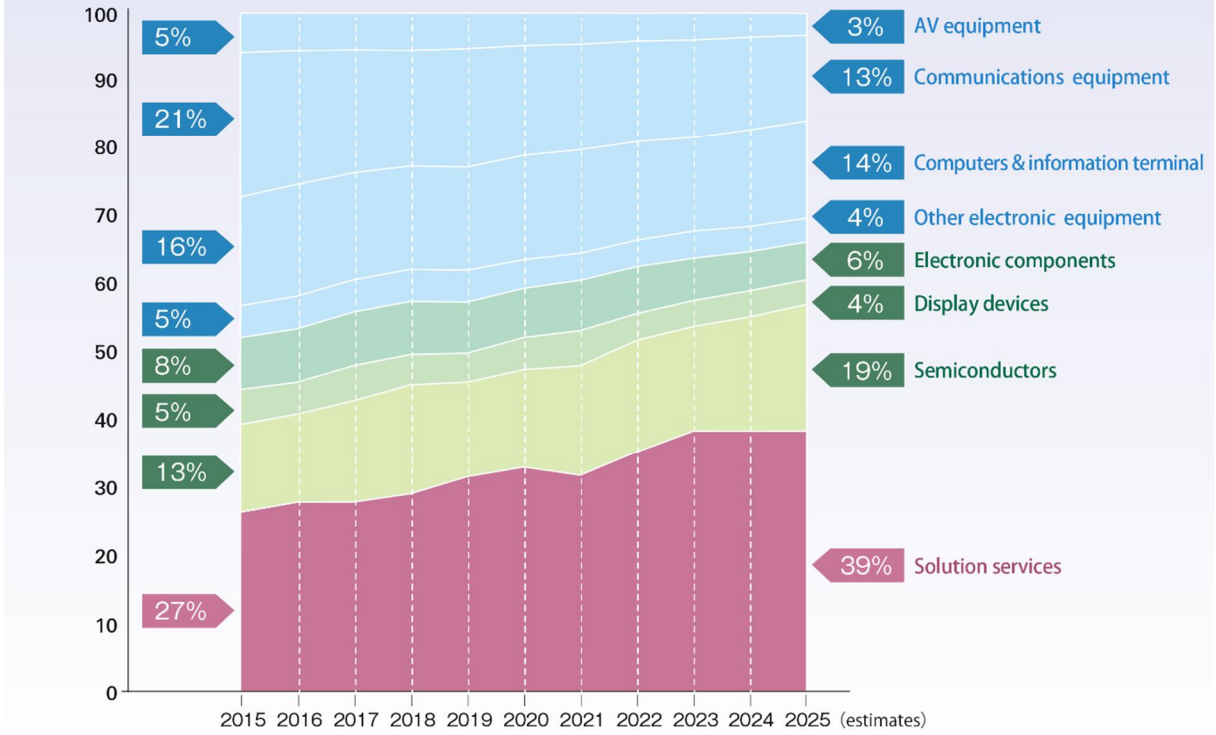
Looking at changes from 2015 to 2025, production soared from $335.2 billion to $772.2 billion in semiconductors, and from $680.5 billion to $1,594.3 billion in solution services. By contrast, global production by Japanese electronics and IT companies declined from $337.6 billion in 2015 to $281.0 billion in 2025. While this was partially due to the weak yen, the main cause was sluggish growth in the two traditionally strong areas of information terminals and AV devices.

Production by the Global Electronics and IT Industries (IN DOLLAR TERMS)

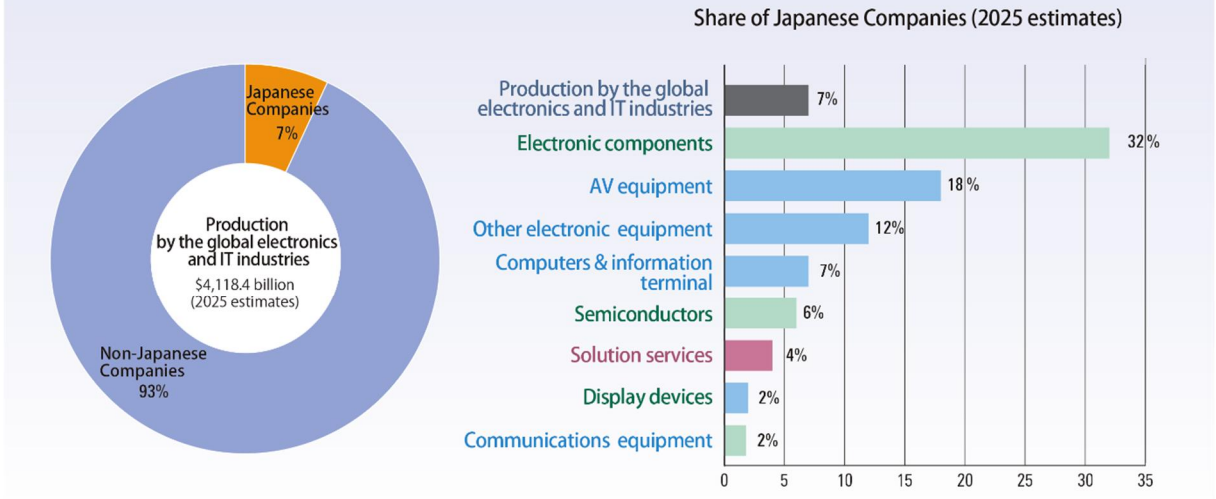


*Average exchange rate of the yen to the dollar for 2026 is viewed the same as for 2025.
*World GDP is from IMF data

Production by the Global Electronics and IT Industries Composition Ratio by Field (2015→2025 estimates in dollar terms)



Production by the Global Electronics and IT Industries (2025 estimates in dollar terms)



PRODUCTION FORECASTS FOR THE GLOBAL ELECTRONICS AND INFORMATION TECHNOLOGY INDUSTRIES (IN DOLLAR TERMS)

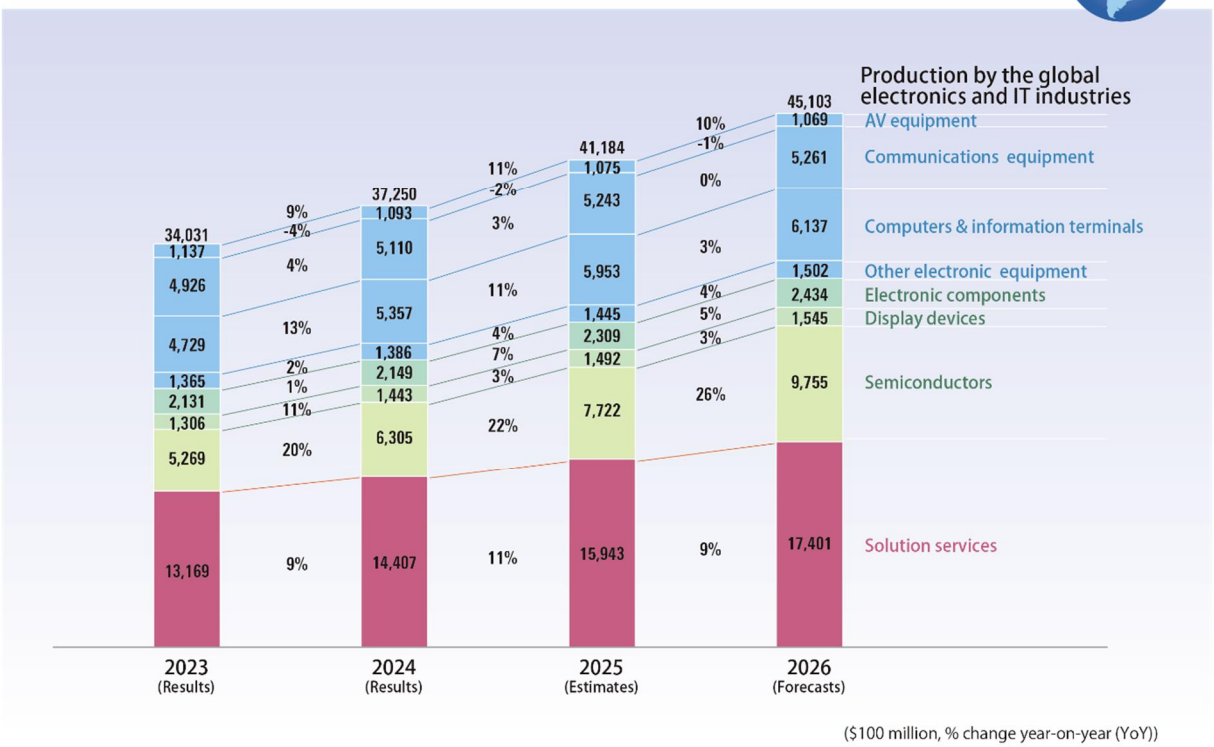
Overall production by the global electronics and IT industries (in dollar terms) should see positive growth in 2025, driven by the robust performance of semiconductors and major growth in solution services. In 2026, ongoing digitalization efforts in countries around the world are projected to maintain the momentum of servers and semiconductors and also produce positive growth for electronic equipment and devices and solution services. Electronic components and devices should top $1,000 billion for the second consecutive year.

In 2025, US tariff hikes and policy uncertainty weighed heavily on the global economy, but it remained firm if slightly sluggish thanks to booming AI demand underpinning growth. The US economy continues to enjoy comparatively stable growth due to robust personal consumption and increased IT and digital investment centered on generative AI. The Chinese economy, however, shows signs of a limited recovery due to a protracted slump in the domestic real estate market. Amidst this patchy global economic recovery, the IMF's October World Economic Outlook forecast a real GDP growth rate of 3.2% for 2025 and 3.1% for 2026, with growth expected to remain moderate.

In 2025, the advance of generative AI should keep the electronics and IT industries buoyant. As markets for servers, storage, and AI-equipped computers and smartphones grow, high-performance chips and memory are driving the electronic components and devices segment, with the semiconductor support policies adopted by countries around the world also underpinning growth. Solution services are benefiting from the digitalization of automobiles and industrial machinery and more sophisticated data utilization, as well as growing corporate DX demand. The 2025 global production of the electronics and IT industries is consequently forecast to rise 11% year on year to $4,118.4 billion.

Casting forward to 2026, the increasing uptake of generative AI and other leading-edge technologies should see ongoing growth for the electronics and IT industries. In particular, the spread of AI-equipped devices and the evolution of cloud and edge computing should mean that server- and storage-related demand too holds firm. Production by the global electronics and IT industries should therefore record positive growth in 2026, increasing 10% year on year to $4,510.3 billion.

Production by the Global Electronics and IT Industries (IN DOLLAR TERMS)



($100 million, % change year-on-year (YoY))

FORECASTS OF GLOBAL PRODUCTION BY JAPANESE COMPANIES (IN YEN TERMS)

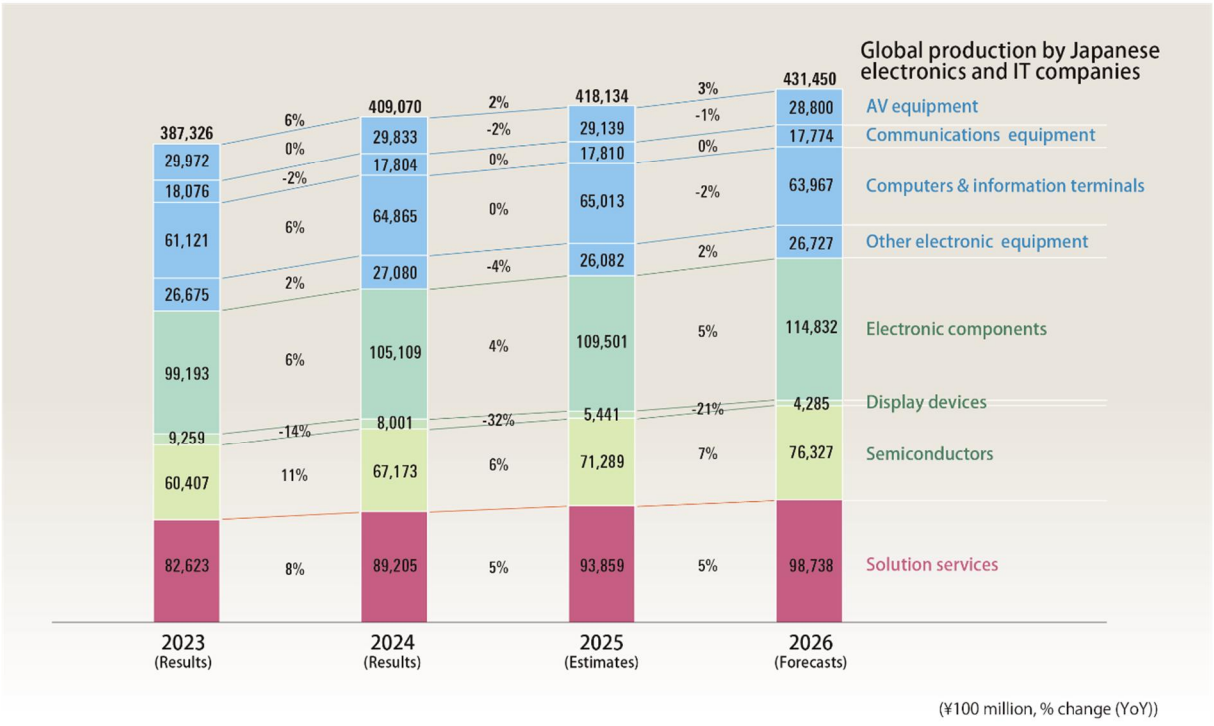
Looking at global production by Japanese electronics and IT companies (including offshore production) in 2025, generative AI uptake buoyed up semiconductors and electronic components, and computer replacement demand and solution services growth also boosted demand. While electronic equipment was somewhat flat, growth in key areas should sustain a positive trajectory overall. Semiconductors and electronic components should remain robust in 2026 thanks to data center demand, and positive growth is expected for solution services due to ongoing cloud migration and demand for AI implementation support.

In Japan, yen depreciation continues to put upward pressure on costs, but companies have reviewed their prices to ensure profitability and are also proactively investing in generative AI and DX. AI utilization is enhancing production and services efficiency and encouraging the creation of new business models, boosting corporate competitiveness.

Semiconductors and electronic components are holding strong due to AI uptake, and the computer replacement demand accompanying the end of Windows 10 support remains stable. Solution services continue to expand amidst ongoing investment in cloud and AI development environments, but printers have slowed as changes in working styles reduce printing volume. Production by Japanese electronics and IT companies (including offshore production) is consequently expected to rise 2% year on year in 2025 to ¥41,813.4 billion.

Looking ahead to 2026, semiconductors and electronic components should remain firm due to the evolution of AI. There should be a certain amount of demand growth for computers thanks to the uptake of AI-equipped models, and solution services will see trends such as DX, cloud migration, and AI implementation support needs continue. More sophisticated corporate AI utilization is increasing demand for cloud infrastructure and security measures, accelerating the pace of growth in services. As a result, global production by Japanese electronics and IT companies should record positive growth of 3% year on year in 2026 to reach ¥43,145 billion.

Global Production by Japanese Electronics and IT Companies (IN YEN TERMS)



FORECASTS OF DOMESTIC PRODUCTION BY THE JAPANESE ELECTRONICS INDUSTRY (IN YEN TERMS)

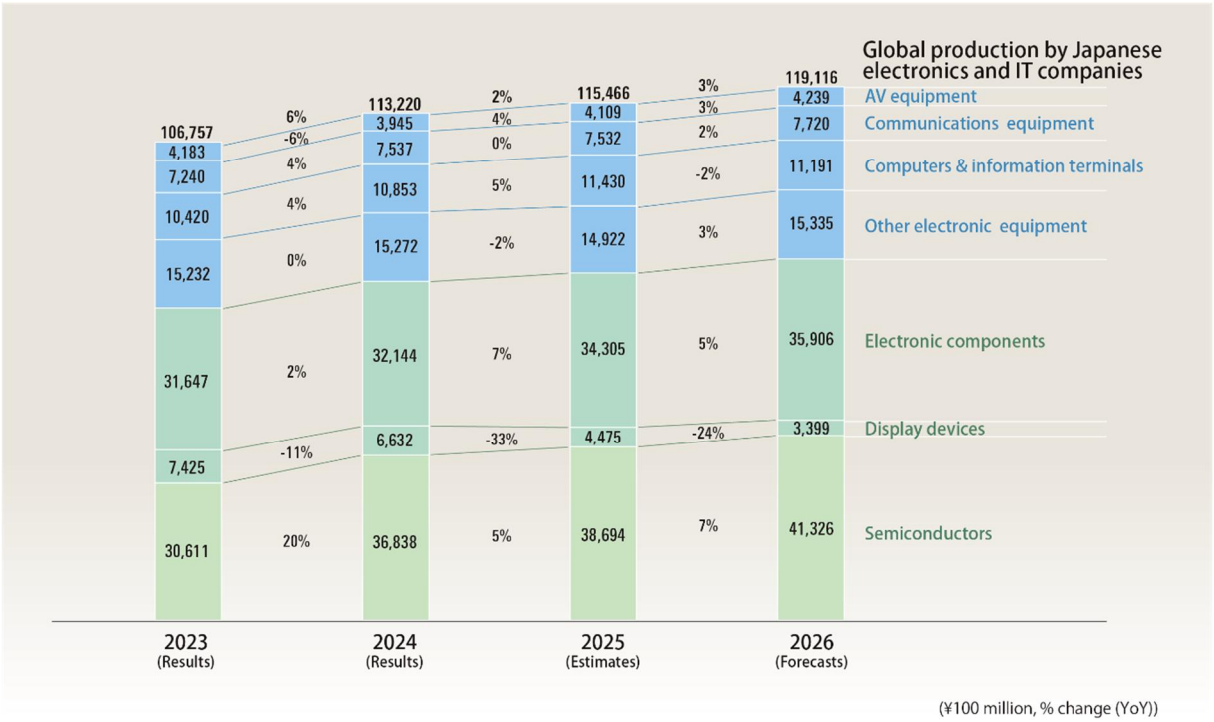
In 2025, domestic production held steady thanks to AI and cloud-driven semiconductor demand, the uptake of IoT and smart devices, and computer replacement demand, with moderate growth expected. In 2026 too, production of electronics components and devices should rise to meet growing AI demand, keeping domestic production by the Japanese electronics industry on the right side of the ledger.

High-performance logic chips for AI servers led the market in 2025 in Japan, while thanks to companies' overhaul of their core systems and ongoing cloud migration, special demand for device upgrades in the education field, and the uptake of AI-equipped computers, domestic production by the Japanese electronics industry for 2025 is expected to climb 2% year on year to ¥11,546.6 billion.

Looking ahead, technological innovation in AI, IoT, and cloud services should continue to lift high-performance semiconductor demand. Japan's domestic production system is also being bolstered thanks to the government's Strategy for Semiconductors and the Digital Industry pushing the construction of domestic plants for leading-edge semiconductor production. There were fears that the impact of US tariffs could lead to a review of domestic plants and supply chains, but that impact was ultimately minimized, leading to a projected rise of 3% year on year in 2026 to ¥11,911.6 billion.

Domestic production is set to account for 36% of total global production by Japanese companies in 2026. The ratio of domestic production should remain strong in areas that must meet advanced requirements in terms of reliability and performance, such as display devices (79% manufactured in Japan), electric measuring instruments (68%), electronic medical equipment (66%), and semiconductors (54%)..

Domestic Production by the Japanese Electronics Industry (IN YEN TERMS)



(¥100 million, % change (YoY))