

Ukraine Supplies 90 Percent of US Semiconductor-grade Neon

By [Free West Media](#)

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Ukraine’s willingness to engage in a war with Washington’s blessing, has industry analysts worried that the conflict could impact the global chip industry and exacerbate current chip shortages. The US government has warned that the global chip supply chain remained weak.

According to research firm *Techcet*, Ukraine supplies more than 90 percent of America’s semiconductor-grade neon – a gas integral to the lasers used for microchips.

Russia also supplies 35 percent of the US’s palladium supply, a rare metal often used to manufacture semiconductors.

The Semiconductor Industry Association (SIA) said “the semiconductor industry has a diverse set of key materials and gases, so we do not believe there are immediate supply disruption risks related to Russia and Ukraine,” but the long-term impact of the war [remains unclear](#).

If the conflict continues, it could place pressure on an already struggling supply chain as the demand for microchips has increased across the board. Companies are increasingly seeing a demand for AI used in machine learning training, and the market is predicted to grow at over 50 percent annually across all computing categories for the next few years.

US Secretary of Commerce Gina M. Raimondo highlighted that the median inventory of chips fell from 40 days in 2019 to less than five days in 2022 with manufacturing running at more than 90 percent utilization.

There is already a shortage of legacy logic chips used in automobiles and medical devices as well as analog chips used in power management, image sensors, radio frequency and other applications. The war in Ukraine could greatly impact the shortage.

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