



06 APR, 2026

Helium shortages cloud tech prospects

The Star, Malaysia



Helium shortages cloud tech prospects

AI-driven demand persists despite rising input costs

TECHNOLOGY

PETALING JAYA: Helium shortages and higher electricity tariffs driven by the US-Iran war, along with the US tariffs, are still weighing on the technology sector.

BIMB Securities said it maintains a cautious outlook for the second half of financial year 2026 (2H26), as geopolitical tensions and the associated inflationary pressures on industrial gases and energy could eventually dampen the current capital expenditure (capex) momentum.

This is despite the global semiconductor market remaining in a record-breaking upcycle.

Recent Semiconductor Industry Association data shows global sales reached a historic US\$82.5bil in January 2026, representing a robust 3.7% increase month-on-month and a staggering 46.1% y-o-y increase.

"The trajectory is increasingly shadowed by the US-Iran conflict.

"Regional drivers highlight a highly polarised recovery; growth remains heavily tilted toward the Asia Pacific (increase by 82.4% y-o-y) and China (increase by 47% y-o-y), while Japan continues to lag (down by 6.2% y-o-y).

"If these artificial intelligence or (AI)-driven trends persist, global sales could approach the landmark US\$ 1 trillion milestone by the end of 2026," the research house said in a report recently.

Rakuten Trade head of equity sales Vincent Lau said supply chain disruption due to the conflict is a key risk for the sector currently.

"For example, helium gas is part of the semiconductor supply chain, and any disruption could affect production.

"If supply chains are choked, or if industries face intermittent shutdowns, it would not just impact oil – it will affect a wide range of sectors, including fertilisers and other upstream inputs," he told *StarBiz*.

Lau maintained a "glass half full" outlook for the sector, noting that demand remains intact and investments, like in data centres, are still ongoing.

"While cost pressures exist, they are still manageable for now.

"Demand for products like smartphones and AI-related hardware remains solid.

"Memory prices have risen, but not to the extent that it severely impacts end-de-

"If these AI-driven trends persist, global sales could approach the landmark US\$ 1 trillion milestone by the end of 2026."

BIMB Securities

mand. So at this stage, the situation is not as dire as it may seem.

"A lot of the negative news has already been priced in," he said.

BIMB Securities said while the loss of Qatari helium capacity presents a significant logistical hurdle, the research house believes it is unlikely to trigger immediate production halts in the near term.

"Thanks to diversified sourcing from the United States and Canada, alongside robust gas recycling systems at major fabs, supply remains sufficient to sustain operations.

"However, the primary impact will manifest as increased procurement costs and margin pressure, as spot prices have surged in some regions and the shift to alternative, long-haul logistics adds a permanent geopolitical surcharge to high-end wafer fabrication," the research house added.

That said, BIMB Securities said the local semiconductor backend is increasingly vulnerable to "ripple-effect" risks across its various sub-sectors.

For one, outsourced semiconductor assembly and test (OSAT) players face a dual threat: while they are largely insulated from direct helium shortages, they remain highly susceptible to upstream wafer disruptions that can cause factory underutilisation, all while battling margin erosion from high electricity costs.

"Further down the line, electronics manufacturing services providers are grappling with the most immediate market volatility, facing erratic order schedules and the looming shadow of global tariffs.

"Meanwhile, automated test equipment (ATE) manufacturers find their growth tied to the capital expenditure of others; although they risk order deferrals as clients turn cautious, the surging infrastructure needs for AI and high-performance computing continue to provide a critical buffer against a total downturn," the

research house said.

BIMB Securities expects higher energy costs to likely impact local tech in the second quarter of financial year 2026.

Tenaga Nasional Bhd's (TNB) latest announcement on automatic fuel adjustment (AFA) narrowed to minus 0.47 sen/kWh in April, from minus 2.15 sen/kWh in March, indicating a sharp reduction in rebates.

This also came in significantly above earlier TNB expectations of minus 1.89 sen/kWh.

The research house said this underscores stronger-than-anticipated fuel cost pressures.

"Looking at the three-month forecast, the AFA is projected to go into positive territory in July (plus 0.08 sen per kWh), resulting in higher effective electricity tariffs for industrial users," BIMB Securities said.

Meanwhile, the research house noted US tariffs remain a major source of uncertainty with the possibility of the imposition of tariffs on the sector via Section 301 or Section 232 investigations, despite the US Supreme Court's ruling that limits the use of the International Emergency Economic Powers Act.

BIMB Securities said sector valuations appear attractive, though downside risks persist amid ongoing geopolitical uncertainties. It added that recent downward trends in share prices can be attributed primarily to profit-taking, even as companies have generally reported solid earnings.

BIMB Securities maintained a "neutral outlook" on the sector for 2H26 and prefers asset-light intellectual property providers (such as SkyeChip) and high-end OSAT/ATE players with significant AI integration (like Malaysian Pacific Industries Bhd and ViTrox Corp Bhd), as their market position grants them the pricing power necessary to offset rising indirect costs.