China Semi Equipment

SPE import analysis: Solid YoY growth with broadening demand across provinces in August

Equities

China

Semiconductors

Jimmy Yu
Analyst
jimmy.yu@ubs.com
+86-21-3866 8880

Nicolas Gaudois
Analyst
nicolas.gaudois@ubs.com
+65-6495 5148

Timothy Arcuri
Analyst
timothy.arcuri@ubs.com
+1-415-352 5676

Yongwei Lai
Analyst
S1460524110001
yongwei.lai@ubs.com
+86-21-3866 8780

Francois-Xavier Bouvignies
Analyst
francois.bouvignies@ubs.com
+44-20-7568 7105

Kenji Yasui
Analyst
kenji.yasui@ubs.com
+81-3-5208 6211

Randy Abrams
Analyst
randy.abrams@ubs.com
+886-2-8722 7338

Sunny Lin
Analyst
sunny.lin@ubs.com
+886-2-8722 7346

Xinlei Li
Analyst
S1460522090008
xinlei.li@ubs.com
+86-21-3866 8805

Qing Luo
Associate
S1460125090001
qing-za.luo@ubs.com
+86-213-866 5000

SPE imports grew +24% YoY in Aug, with broader geographic demand

China's semiconductor production equipment (SPE) imports reached US$3.3bn in August (+24% YoY/-5% MoM). Strong demand from Shanghai persisted (US$1.4bn, +71% YoY, 44% of total imports), supported by capacity expansion in both memory and leading logic, we believe. Sichuan (likely Huali's Chengdu fab) rapidly climbed to second place, with imports reaching US$626mn, more than doubling YoY and representing 19% of the total. Other meaningful imports were seen in Beijing, Shaanxi, Liaoning, Jiangsu, and Guangdong, accounting for 10%/ 5%/ 4%/ 4%/ 3%, respectively. Imports to Shaanxi (where Samsung's Xi'an fab is located) and Liaoning (where SK Hynix's Dalian fab is located) were likely related to capacity expansion by overseas memory makers. 8M26 SPE imports were US$20.4bn, -4% YoY, further narrowing from -8% in 7M26. Excluding Guangdong, 8M26 imports were +28% YoY. While import demand from Hubei and Anhui remained muted, several indicators, including recent tender announcements from YMTC and CXMT and updates in YMTC's latest prospectus, suggest that a new round of capacity expansion could begin in the near term. We believe the discrepancy may reflect an accelerating pace of equipment localization. We will continue to monitor the trend.

Solid growth across litho and non-litho equipment

By equipment: Litho and non-litho equipment imports reached US$989mn (+32% YoY; 30% of total imports) and US$2.3bn (+21% YoY) in August, respectively. Litho equipment imports reached their highest level of the year, marking the fourth consecutive month of growth. Imports of dry etch tools (US$721mn) and deposition tools (US$741mn) remain elevated, accounting for 22% and 23% share, respectively.
By country: The Netherlands (US$919mn) was the largest exporter in August, given the strong litho imports. Japan (US$723mn; -7% YoY) was the second largest, followed by Singapore (US$502mn, +74% YoY), Malaysia (US$417mn, +17% YoY), and Taiwan (US $281mn, +175% YoY). The latter three were likely read-throughs to US vendors. Imports from Japan were primarily related to "other" equipment, which we believe was largely driven by track systems. For dry etch, Taiwan, Malaysia and Japan were the top three exporters. For deposition, Singapore, Malaysia and Korea were the top three.

Litho import demand broadened to tier-2/3 regions in China

Shanghai and Sichuan took the lead in litho imports from the Netherlands in August, importing US$444mn and US$299mn, respectively. It is worth noting that Sichuan imported three units of litho equipment in total, with ASP per unit reaching US$100mn, likely indicating a capacity expansion at relatively advanced nodes. Jilin imported one unit at a cost of US$63mn. Chongqing, Anhui, Beijing, Hubei, Jiangsu, and Shaanxi imported eight units at cost of US$114mn in total.

Maintain constructive view on leading China WFE companies

We recently further raised our 2026-28E China WFE spend forecast to US $49bn/63bn/70bn, implying 9%/29%/11% YoY growth. We continue to see leading WFE companies as our most preferred names among China Tech semi coverage, benefiting from memory and leading logic fab expansion and accelerating localisation. Naura and AMEC remain our top picks.

This report has been prepared by UBS Securities Asia Limited. **ANALYST CERTIFICATION AND REQUIRED DISCLOSURES, INCLUDING INFORMATION ON THE QUANTITATIVE RESEARCH REVIEW PUBLISHED BY UBS, BEGIN ON PAGE 8.**

Summary

Figure 1: China's monthly SPE imports summary

	Monthly					YTD			Average		
US$ m, %	Aug-26	Jul-26	Aug-25	MoM (%)	YoY (%)	8M26	8M25	YoY (%)	Avg. 8M26	Avg. 8M25	Chg (%)
Total SPE import	**3,264**	**3,444**	**2,624**	**-5%**	**24%**	**20,415**	**21,213**	**-4%**	**2,552**	**2,652**	**-4%**
By equipment type											
Litho	**989**	**870**	**750**	**14%**	**32%**	**4,844**	**5,209**	**-7%**	**605**	**651**	**-7%**
Non-Litho	**2,275**	**2,574**	**1,875**	**-12%**	**21%**	**15,564**	**16,003**	**-3%**	**1,945**	**2,000**	**-3%**
Etch	765	810	558	-5%	37%	4,441	4,578	-11%	555	622	-11%
Deposition	741	883	576	-16%	29%	5,719	5,589	2%	715	698	2%
Oxide RTP	117	290	193	-60%	-23%	1,270	1,087	17%	159	136	17%
Ion implanter	113	109	118	4%	-4%	898	1,021	-12%	112	128	-12%
Other	539	482	469	12%	15%	3,243	3,331	-3%	405	416	-3%
As % of total											
Litho	30%	25%	29%	5.0	1.7	24%	25%	-0.8	24%	25%	-0.8
Non-Litho	70%	75%	71%	-5.0	-1.7	76%	75%	0.8	76%	75%	0.8
Etch	23%	24%	21%	-0.7	2.2	22%	23%	-1.7	22%	23%	-1.7
Deposition	23%	26%	22%	-2.9	0.7	28%	26%	1.7	28%	26%	1.7
Oxide RTP	4%	8%	6%	-4.8	-2.2	6%	5%	1.1	6%	5%	1.1
Ion implanter	3%	3%	4%	0.3	-1.0	4%	5%	-0.4	4%	5%	-0.4
Other	17%	14%	18%	2.5	-1.4	16%	16%	0.2	16%	16%	0.2
By exporting country to China											
Japan	723	963	779	-25%	-7%	4,885	5,659	-14%	611	707	-14%
Netherlands	919	815	648	13%	42%	4,481	4,718	-5%	560	590	-5%
US	119	155	180	-23%	-34%	1,005	1,667	-40%	126	208	-40%
Singapore	502	850	289	-41%	74%	4,725	3,551	33%	591	444	33%
Malaysia	417	190	357	119%	17%	2,025	2,260	-10%	253	282	-10%
Korea	178	229	108	-22%	65%	1,060	1,003	6%	133	125	6%
Others	406	243	269	67%	55%	2,233	2,362	-5%	279	295	-5%
As % of total											
Japan	22%	28%	30%	-5.8	-7.6	24%	27%	-2.7	24%	27%	-2.7
Netherlands	28%	24%	25%	4.5	3.5	22%	22%	-0.3	22%	22%	-0.3
US	4%	4%	7%	-0.8	-3.2	5%	8%	-2.9	5%	8%	-2.9
Singapore	15%	25%	11%	-9.3	4.4	23%	17%	6.4	23%	17%	6.4
Malaysia	13%	6%	14%	7.2	-0.8	10%	11%	-0.7	10%	11%	-0.7
Korea	5%	7%	4%	-1.2	1.3	5%	5%	0.5	5%	5%	0.5
Others	12%	7%	10%	5.4	2.4	11%	11%	-0.2	11%	11%	-0.2
By China's importing province/city											
Shanghai	1,444	1,845	846	-22%	71%	8,345	5,535	51%	1,043	692	51%
Beijing	338	383	146	-12%	131%	3,793	1,425	166%	474	178	166%
Guangdong	113	139	409	-19%	-72%	1,576	6,519	-76%	197	815	-76%
Hubei	69	47	358	48%	-81%	565	1,395	-59%	71	174	-59%
Anhui	33	23	86	44%	-62%	537	1,370	-61%	67	171	-61%
Jiangsu	114	167	162	-31%	-29%	1,483	1,513	-2%	185	189	-2%
Others	1,154	841	618	37%	87%	4,115	3,456	19%	514	432	19%
As % of total											
Shanghai	44%	54%	32%	-9.3	12.0	41%	26%	14.8	41%	26%	14.8
Beijing	10%	11%	6%	-0.8	4.8	19%	7%	11.9	19%	7%	11.9
Guangdong	3%	4%	16%	-0.6	-12.1	8%	31%	-23.0	8%	31%	-23.0
Hubei	2%	1%	14%	0.8	-11.5	3%	7%	-3.8	3%	7%	-3.8
Anhui	1%	1%	3%	0.3	-2.3	3%	6%	-3.8	3%	6%	-3.8
Jiangsu	4%	5%	6%	-1.3	-2.7	7%	7%	0.1	7%	7%	0.1
Others	35%	24%	23%	10.9	11.9	20%	16%	3.9	20%	16%	3.9

Source: China Customs

Figure 2: Major provinces/cities importing litho tools from the Netherlands for August/8M26

Province	Aug-26 Imported amount (US$ m)	Aug-26 Imported unit	Aug-26 ASP (US$ m)	Aug-26 As % of total amount	8M26 Imported amount (US$ m)	8M26 Imported unit	8M26 ASP (US$ m)	8M26 As % of total amount	Major fabs located in the province
Shanghai	444	[illegible]	40	48%	2,110	87	57	47%	SMIC, Hua Hong, Hua ; CXMT, GTA Semi, GTX, etc
Beijing	[illegible]	[illegible]	[illegible]	2%	577	22	26	13%	SMIC, Yandong Micro, CXMT, etc
Guangdong	0	0	n.a.	0%	317	[illegible]	29	7%	SMIC, CanSem, SwaySure, GR Micro
Shandong	0	0	n.a.	0%	0	0	n.a.	0%	S En, B+D Semi
Anhui	[illegible]	[illegible]	[illegible]	2%	142	3	47	3%	CXMT, Nexchip
Sichuan	299	3	100	32%	555	9	62	12%	Hua ; B+D Semi
Jiangsu	14	2	7	2%	81	8	10	2%	Hua Hong, SK Hynix, TSMC Nanjing
Hubei	[illegible]	[illegible]	[illegible]	2%	98	8	12	2%	YMTC, XMC
Fujian	0	0	n.a.	0%	0	0	n.a.	0%	UMC Xiamen, Jinhua, S an Xiamen
Shaanxi	9	1	9	1%	15	3	5	0%	Samsung
Zhejiang	0	0	n.a.	0%	313	7	45	7%	Fu-semi, Rongsemi , united Nova, Sian Micro, StarPower
Other	105	3	35	11%	372	10	37	8%	
Total	**919**	**23**	**40**		**4,480**	**118**	**38**		

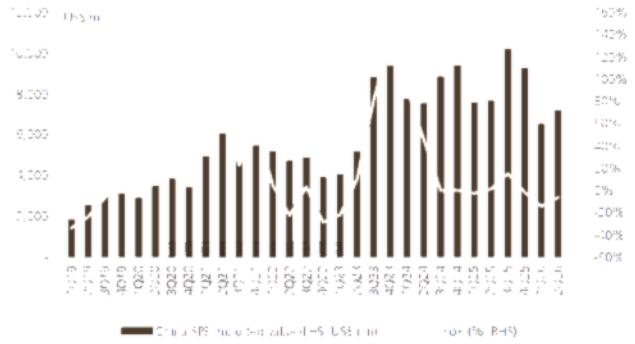
Source: China Customs

Figure 3: Major provinces/cities importing litho tools from the Netherlands (quarterly)

Province	Item	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	8M25	8M26	2023	2024	2025	Major fabs
Shanghai	**Import value (US$ m)**	64	371	965	107	617	485	526	376	322	359	1,417	1,994	705	502	1,240	2,110	1,507	2,005	4,092	SMIC, Hua Hong, HuaHong, CRS, GTA Semi, etc
	Unit	5	5	5	2	6	7	3	2	4	3	24	23	9	[illegible]	38	87	8	33	79	
	ASP (US$ m/unit)	13.0	74.1	193.6	53.7	102.8	69.2	175.4	94.4	80.4	119.6	59.1	86.7	78.3	48.6	32.4	24.2	29.5	32.4	51.5	
Beijing	**Import value (US$ m)**	188	286	94	657	464	148	413	939	191	99	112	1,040	143	273	389	577	1,225	1,965	1,442	SMIC, Yandong Micro, CXMT, etc
	Unit	[illegible]	5	4	12	14	4	8	20	3	2	5	[illegible]	8	11	9	22	33	46	37	
	ASP (US$ m/unit)	7.1	55.8	23.4	54.7	33.1	37.1	51.7	47.0	63.5	49.6	22.5	94.5	17.8	27.3	43.2	26.2	35.0	42.7	38.7	
Guangdong	**Import value (US$ m)**	7	159	559	294	293	434	146	95	761	524	429	232	261	11	1,592	317	1,020	969	1,946	
	Unit	2	5	[illegible]	3	11	13	7	3	14	[illegible]	16	16	16	[illegible]	28	[illegible]	28	44	97	FCT Perpetual, SwaySure, SMIC CanSem, GR Micro etc
	ASP (US$ m/unit)	3.6	31.8	80.5	29.4	26.6	34.0	21.1	31.8	54.3	47.6	26.4	33.1	48.4	2.8	56.9	28.8	36.4	22.0	20.0	
Hubei	**Import value (US$ m)**	131	54	570	669	0	133	442	286	289	117	466	225	41	41	599	98	1,424	861	1,096	YMTC, XMC etc
	Unit	9	3	10	12	0	4	9	7	8	3	6	3	3	4	11	8	34	22	19	
	ASP (US$ m/unit)	14.6	18.0	57.0	55.8	n.a.	33.2	49.1	38.6	37.8	38.9	77.6	75.0	13.6	10.3	54.8	12.2	41.9	37.4	57.7	
Anhui	**Import value (US$ m)**	54	108	311	512	170	0	603	311	194	58	81	0	109	17	333	142	985	1,083	333	CXMT, Nexchip
	Unit	2	2	7	12	4	0	9	3	5	2	2	0	3	3	23	9	27	31	8	
	ASP (US$ m/unit)	26.4	54.2	44.5	42.6	84.8	n.a.	67.3	99.4	38.7	28.9	51.5	n.a.	38.7	7.2	14.6	47.5	42.8	35.2	41.6	
Jiangsu	**Import value (US$ m)**	89	158	0	52	30	272	181	112	113	82	28	81	60	0	222	81	299	594	304	Hua Hong, Maxscend, GR Micro etc
	Unit	5	4	0	2	3	7	3	1	3	6	6	3	3	1	12	8	11	38	22	
	ASP (US$ m/unit)	17.8	39.4	n.a.	26.1	9.9	39.7	59.9	112.0	37.6	14.2	4.7	27.0	19.9	n.a.	18.5	10.2	27.2	15.6	13.8	
Zhejiang	**Import value (US$ m)**	6	139	47	25	0	0	75	89	0	24	3	214	79	118	27	313	218	164	240	Fu-semi, Ringsemi , United Nova, Sian Micro, StarPower etc
	Unit	1	4	3	3	1	1	2	3	1	3	2	3	3	2	4	7	3	8	7	
	ASP (US$ m/unit)	5.1	34.9	15.7	8.0	n.a.	n.a.	37.6	28.3	n.a.	8.0	0.8	71.3	26.4	59.0	6.6	44.7	81.7	20.9	34.3	
Sichuan	**Import value (US$ m)**	0	0	0	0	151	201	225	175	148	7	6	0	30	210	161	555	0	752	161	YMTC, B+D Semi
	Unit	0	0	0	0	3	6	6	4	3	2	1	0	2	3	6	9	0	9	6	
	ASP (US$ m/unit)	n.a.	n.a.	n.a.	n.a.	50.2	33.6	37.5	43.8	49.4	3.5	6.0	n.a.	15.1	70.2	26.8	61.6	n.a.	35.6	26.8	
Other	**Import value (US$ m)**	16	129	131	276	443	146	458	72	11	13	153	15	141	6	150	287	552	1,119	191	
	Unit	2	5	[illegible]	12	13	5	7	3	2	2	3	2	4	[illegible]	6	8	30	27	9	
	ASP (US$ m/unit)	8.0	25.9	11.9	23.0	33.4	29.3	65.4	24.0	5.1	6.2	51.0	14.9	35.2	2.1	25.0	22.1	18.4	41.4	23.8	
Total	**Import value (US$ m)**	555	1,405	2,677	2,592	2,167	1,819	3,071	2,457	2,028	1,282	2,695	3,800	1,567	1,179	4,713	4,480	7,230	9,513	9,806	
	Unit	40	46	64	75	64	66	73	51	45	44	33	62	4	35	121	118	225	275	207	
	ASP (US$ m/unit)	13.9	30.6	41.8	34.6	42.1	27.6	42.1	48.2	45.3	29.1	81.6	61.3	38.2	33.7	39.0	38.0	32.1	34.6	47.4	

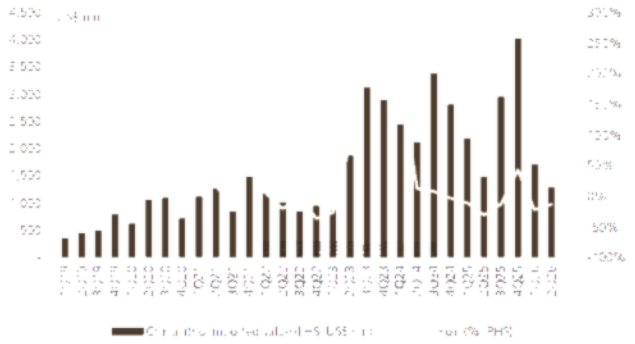
Source: China Customs

Figure 4: China's quarterly SPE imports



Source: China Customs

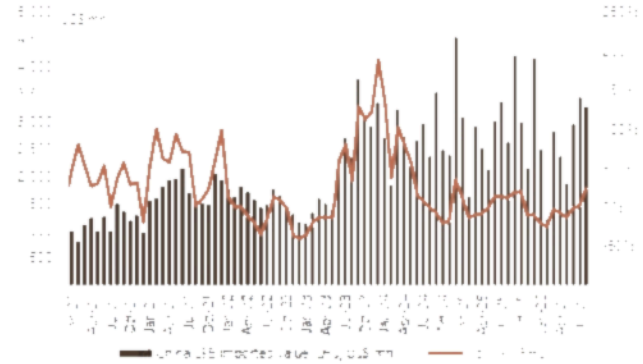
Figure 5: China's quarterly litho imports



Source: China Customs

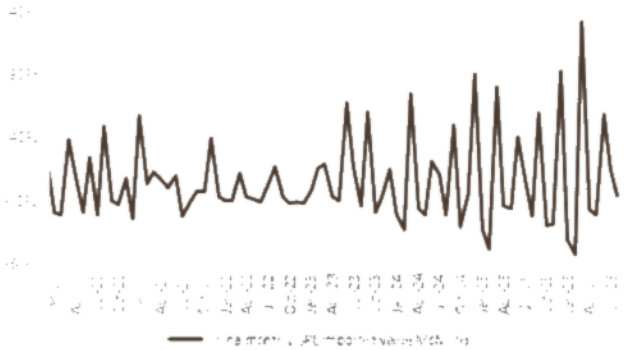
Monthly import data

Figure 6: China's monthly SPE imports (YoY)



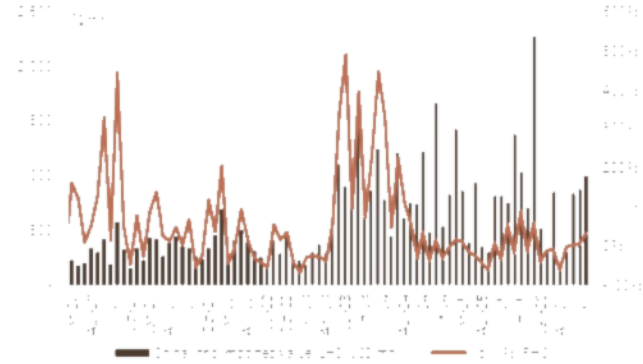
Source: China Customs

Figure 7: China's monthly SPE imports (MoM)



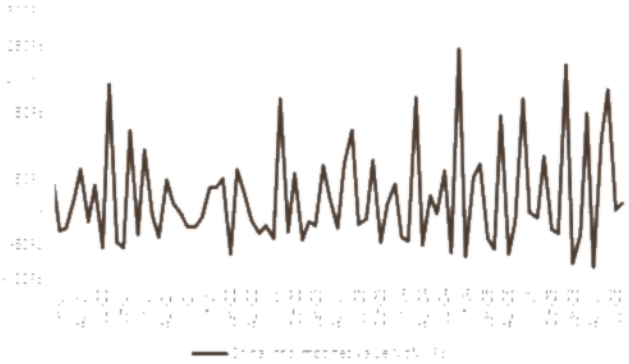
Source: China Customs

Figure 8: Monthly litho import value (YoY)



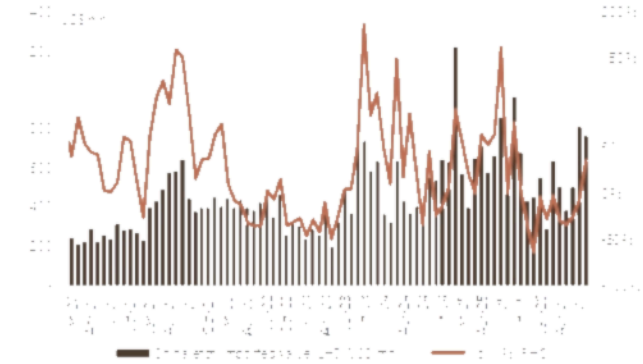
Source: China Customs

Figure 9: Monthly litho import value (MoM)



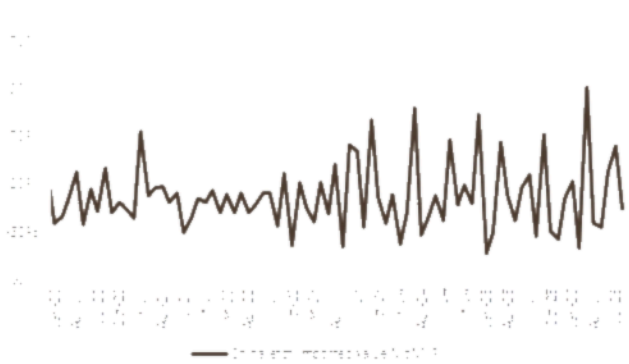
Source: China Customs

Figure 10: Monthly etch import value (YoY)



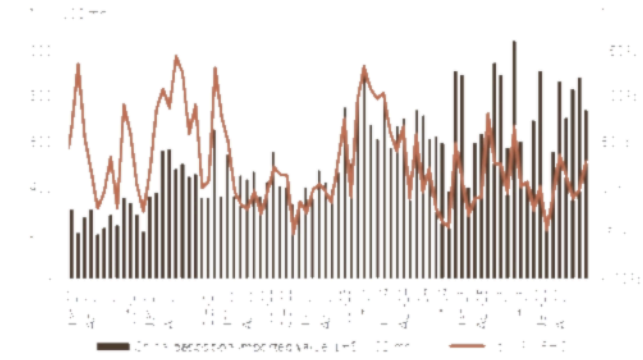
Source: China Customs

Figure 11: Monthly etch import value (MoM)



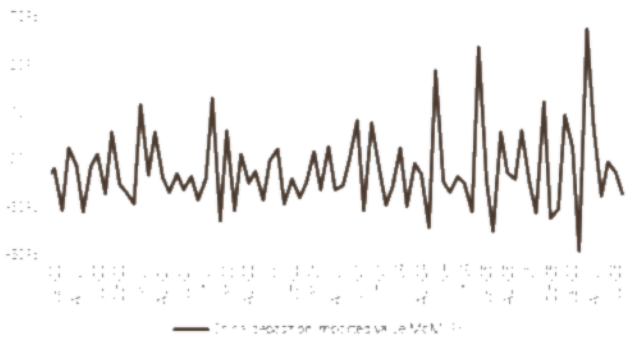
Source: China Customs

Figure 12: Monthly deposition import value (YoY)



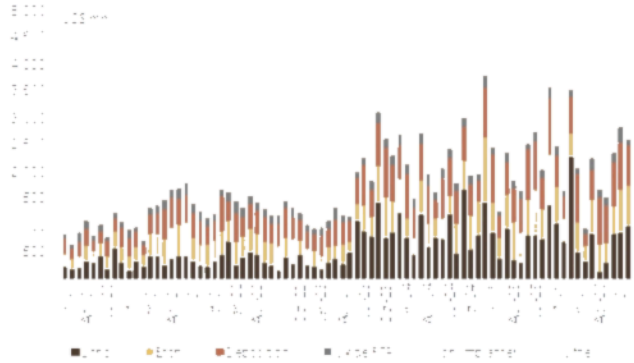
Source: China Customs

Figure 13: Monthly deposition import value (MoM)



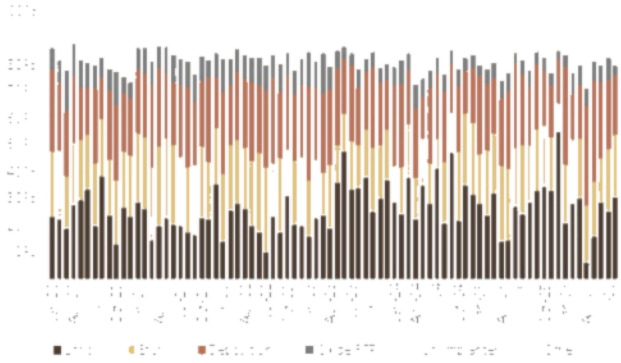
Source: China Customs

Figure 14: SPE import value by equipment type



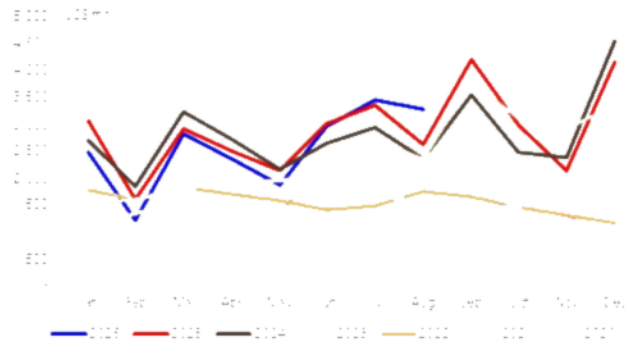
Source. China Customs

Figure 15: Breakdown of total SPE import value by equipment type



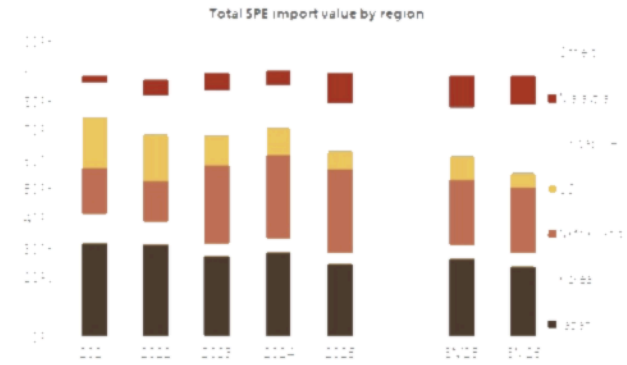
Source: China Customs

Figure 16: Monthly SPE imports over time



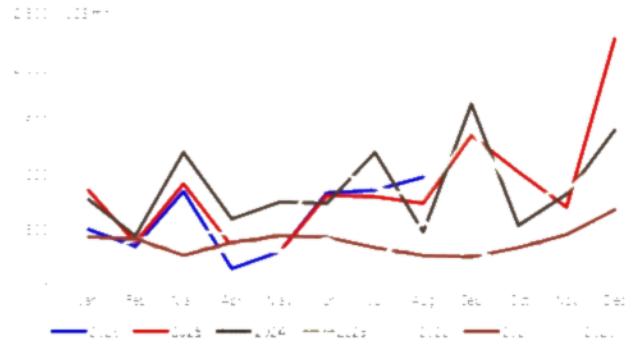
Source: China Customs

Figure 17: Mix of SPE imports by region



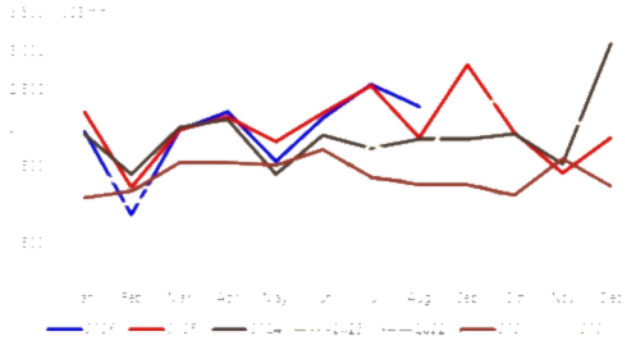
Source: China Customs

Figure 18: Monthly litho imports over time



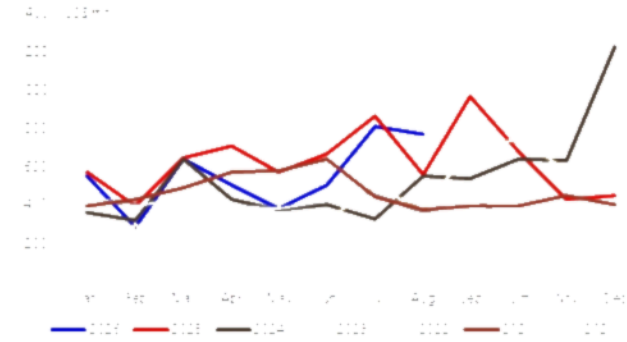
Source: China Customs

Figure 19: Monthly non-litho imports over time



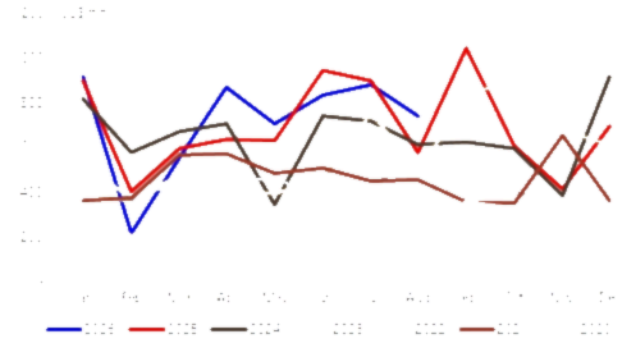
Source: China Customs

Figure 20: Monthly etch imports over time



Source: China Customs

Figure 21: Monthly deposition imports over time



Source: China Customs

Valuation Method and Risk Statement

We believe downside risks in the semi equipment sector include, but are not limited to: 1) worse-than-expected macroeconomic conditions and end-demand; 2) geopolitical tension intensifying and restrictions being extended; 3) a longer-than-expected downcycle; 4) China's fabs suspending projects and lowering capex more than we estimate; and 5) slower-than-expected R&D progress.

We believe upside risks in the semi equipment sector include, but are not limited to: 1) end-demand recovering faster than we expect; 2) geopolitical tension easing and restrictions being lifted; 3) the downcycle in the semi industry being shorter than we expect; 4) capex plans of China's fabs being more aggressive than we estimate; and 5) China's WFE vendors making technological breakthroughs, leading to large market share gains.

We value AMEC and NAURA using a PE multiple.

NAURA: The main downside risks include, but are not limited to: 1) geopolitical tension intensifying and restrictions being extended; 2) weaker-than-expected WFE demand in China; and 3) intensified competition leading to market share losses in the etching, deposition and cleaning businesses.

AMEC: The main downside risks include, but are not limited to: 1) geopolitical tension intensifying and restrictions being extended; 2) weaker-than-expected WFE demand in China; 3) intensified competition leading to market share losses in etching; 4) longer-than-expected new product development; and 5) departures of key management and R&D leaders.