

Global Advanced Packaging Market to Grow at 7.2% CAGR, Driven by Tech Innovation and Electronics Demand | FMI

UK advanced packaging to hit USD 2.8 Billion by 2025, driven by 5.4% CAGR, eco-friendly trends, e-commerce growth, and innovations in food and pharma packaging.

NEWARK, DE, UNITED STATES, May 23, 2025 /EINPresswire.com/ -- The global [advanced packaging market](#) is on the brink of an exciting expansion, projected to achieve a CAGR of 7.2% between 2025 and 2035. This robust growth trajectory will see the market surge from USD 35.2 billion in 2025 to USD 70.7 billion by 2035, fueled by technological breakthroughs and increasing industry demands.



Advanced Packaging Market Size

The global electronics and semiconductor industries are evolving at an unprecedented pace, driven by technological innovations and the increasing demand for high-performance, compact, and energy-efficient devices. At the heart of this evolution lies the advanced packaging market, which is experiencing robust growth due to its critical role in enhancing the functionality and efficiency of semiconductor devices.

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The advanced packaging market is booming, driven by AI, 5G, and IoT innovations. Miniaturization and higher performance demands are redefining semiconductor integration.”

Ismail Sutaria in Packaging at Future Market Insights

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Advanced packaging refers to a set of innovative technologies used to enhance semiconductor performance, miniaturization, and power efficiency. Unlike traditional packaging methods,

advanced packaging integrates multiple semiconductor components into a single package, offering improved thermal management, faster processing speeds, and reduced power consumption.

The surge in demand for high-performance electronic devices such as smartphones, wearables, and IoT gadgets, as well as the growing adoption of technologies such as 5G, artificial intelligence, and the Internet of Things, are expected to drive growth in the advanced packaging market over the forecast period. Furthermore, miniaturization trends in the automotive sector, as well as a shift toward electric vehicles with self-driving systems, are expected to boost market growth.

Furthermore, the growing demand for energy-efficient options in data centers and cloud computing infrastructure, combined with increased investments in semiconductor manufacturing and growing government initiatives supporting domestic semiconductor production, are expected to contribute to market growth in the near future.

How Thermal Stress Affects the Reliability of Advanced Packaging Solutions

The constraints associated with thermal management pose significant barriers to the efficiency of advanced packaging solutions, impacting market growth projections. Thermal challenges in advanced packaging primarily fall into two categories: thermal cycling and high-temperature exposure.

Given the intricate, multi-layered structures of advanced packaging, heat dissipation becomes increasingly complex, leading to potential mechanical deformations such as warping and fractures.

Key Takeaways From the Advanced Packaging Market

- The global advanced packaging industry recorded a CAGR of 5.2% between 2020 and 2024.
- The U.S. advanced packaging market is expected to reach USD 5.7 billion by 2025.
- Canada's advanced packaging market will reach USD 1.1 billion by 2025, growing at a moderate pace.
- The UK advanced packaging sector is projected to reach USD 2.8 billion by 2025, with a 5.4% CAGR.
- France's advanced packaging market is set to reach USD 2.1 billion by 2025, growing at a 5.6% CAGR.
- Germany's advanced packaging industry is expected to grow at a 5.9% CAGR, reaching USD 3.4 billion by 2025.
- South Korea's advanced packaging market will reach USD 1.4 billion (USD 2.4 billion for the region) by 2025, with a 6.1% CAGR.
- China's advanced packaging market is projected to grow to USD 12.6 billion by 2025, with a strong 7.2% CAGR.

- India's advanced packaging industry is forecasted to reach USD 4.3 billion by 2025, with a 6.4% CAGR.

Discover untapped potential—dive into cutting-edge insights and opportunities in our [Tech in Packaging Industry Analysis](#).

Key Drivers Shaping the Future of the Advanced Packaging Market

- **Increased Demand for Consumer Electronics:** As consumer electronics, such as smartphones, wearables, and laptops, continue to evolve, there is a growing demand for advanced packaging solutions that provide better protection, miniaturization, and enhanced functionality.
- **Miniaturization and Functional Integration:** The trend toward smaller, more efficient electronic devices has led to the demand for packaging solutions that can accommodate high-performance chips and multiple components in a compact form while maintaining reliability.
- **Growth in Semiconductor Industry:** With the rapid advancement in semiconductor technology, advanced packaging plays a critical role in improving performance, reducing power consumption, and enabling higher integration of chips for applications like AI, 5G, and IoT.
- **Sustainability Concerns and Eco-friendly Materials:** Increasing awareness of environmental impact is driving innovation in advanced packaging, with a shift toward sustainable materials, [recyclable packaging](#), and eco-friendly processes to reduce carbon footprints and electronic waste.
- **Rise of Automation and Smart Manufacturing:** Automation in packaging processes is helping improve efficiency, reduce costs, and accelerate production timelines. The use of advanced technologies like robotics, AI, and IoT is enabling smarter, more precise packaging solutions for various industries.

Competitive Landscape: Advanced Packaging Market

The advanced packaging market is highly competitive, with key players striving to enhance their product offerings and expand their market presence. Major companies leading the market include:

- UFP Technologies, Inc.
- FiberCel Packaging LLC
- Huhtamaki Oyj
- Pactiv LLC
- Henry Molded Products, Inc.
- EnviroPAK Corporation
- ProtoPak Engineering Corporation
- Brodrene Hartmann A/S
- Keiding, Inc.
- Pacific Pulp Molding, LLC
- Guangxi Qiaowang Pulp Packing Products Co, Ltd.

- Celluloses De La Loire
- Dynamic Fibre Moulding (PTY) Ltd.
- Primapack SAE
- Green Packing Environmental Protection Technology Co., Ltd.
- Dongguan City Luheng Papers Company Ltd.

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Advanced Packaging Market Segmentation

By Type:

Increasing the flip chip scale package segment owing to their capability to improve electrical performance, reduce power consumption, and miniaturize semiconductor devices will further strengthen the industry. Flipping chips forward With the growing demand for high-speed computing, artificial intelligence-powered applications, and miniaturized electronic devices, manufacturers are expected to work on advanced flip chip technology refinement.

Investments in this packaging type will only continue to grow as 5G, IoT, edge, and other next-generation electronics need extreme levels of integration. The Flip Chip Ball Grid Array segment is expected to register steady growth, especially for sectors demanding high-reliability semiconductor technology. Excellent electrical interconnectivity, thermal management, and mechanical robustness are provided by this molded packaging, which makes it appropriate for use in data centers, industrial settings, and automotive electronics.

By End User:

The consumer electronics will continue to be the biggest consumer of advanced packaging by end lift drive by the rapid pace of innovation in smartphones, tablets, wearables, and gaming consoles. With the advent of augmented-reality, virtual-reality, and artificial-intelligence-driven personal devices, semiconductor packaging must evolve to enable the more efficient transfer of data, longer battery life and improved heat dissipation.

The all-time high will be further enhanced by 5G and IoT expansion in embedded consumer devices that demand more sophisticated packaging. The healthcare industry will also increasingly look to advanced packaging for medical devices, diagnostic equipment, and implantable technologies. With the increasing use of telemedicine, remote patient monitoring, and wearable health trackers-semiconductor packaging must emphasize miniaturization, reliability, and biocompatibility.

Have a Look at Related Research Reports on the Packaging Domain:

The digital printing film market is set to surge to USD 15.3 billion in 2024, poised for a projected CAGR of 4.50% that could propel it to USD 23.6 billion by 2034. -

<https://www.futuremarketinsights.com/reports/digital-printing-film-market>

The inkjet label market to progress at a sluggish 2.1% CAGR from 2024 to 2034. A thematic analysis of the inkjet label ecosystem points to a potential valuation of USD 6 billion in 2024. -

<https://www.futuremarketinsights.com/reports/inkjet-label-market>

The global Candle Jar market is estimated to account for USD 1.3 billion in 2025. It is anticipated to grow at a CAGR of 3.7% during the assessment period and reach a value of USD 1.8 billion by 2035. - <https://www.futuremarketinsights.com/reports/candle-jar-market>

The foodservice disposable market has posted significant growth with its current value amounting to USD 72.3 billion in 2024 and is set to reach USD 123.2 billion by 2034. -

<https://www.futuremarketinsights.com/reports/foodservice-disposable-market>

The global biaxially oriented polypropylene (BOPP) film market has been valued at USD 35.7 billion in 2025 and is projected to reach USD 60.9 billion by 2035, registering a CAGR of 5.5%. -

<https://www.futuremarketinsights.com/reports/bopp-film-market>

About Future Market Insights (FMI)

Future Market Insights, Inc. (ESOMAR certified, recipient of the Stevie Award, and a member of the Greater New York Chamber of Commerce) offers profound insights into the driving factors that are boosting demand in the market. FMI stands as the leading global provider of market intelligence, advisory services, consulting, and events for the Packaging, Food and Beverage, Consumer, Technology, Healthcare, Industrial, and Chemicals markets. With a vast team of over 400 analysts worldwide, FMI provides global, regional, and local expertise on diverse domains and industry trends across more than 110 countries.

Join us as we commemorate 10 years of delivering trusted market insights. Reflecting on a decade of achievements, we continue to lead with integrity, innovation, and expertise.

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