

Smartphone Industry Faces Challenges in 2026, Predicts MBSB

Description

MBSB Research announced on Thursday that it is maintaining a neutral outlook on Malaysia's technology sector, predicting challenges for the smartphone industry in 2026. The research firm expects the market to contract between 0.9% and 2.1% year on year due to a continuing shortage of memory chips, which are vital for devices and could hinder the growth of artificial intelligence (AI).

Despite the ongoing memory chip crisis, global smartphone shipments increased by 2.3% to 336.3 million units, driven by demand for premium products and the popularity of foldable phones. Many consumers are also rushing to buy before anticipated price increases.

Leading memory chip producers such as SK Hynix, Samsung Electronics, and Micron Technology are shifting focus from the consumer market to meet the rising demand for AI chips. Micron, in particular, plans to stop selling consumer memory by February 2026. Likewise, SK Hynix has already sold out its entire 2026 production capacity for high-bandwidth memory, DRAM, and NAND.

MBSB indicated that the low-end smartphone segment will likely be most affected. Rising memory costs may increase smartphone prices, making the low-price strategy less viable. However, flagship models, such as those from Apple, may remain resilient due to strong supply chains and high profit margins.

To counteract these issues, companies may need to consider lowering specifications, streamlining their product lines, and encouraging upgrades, while also securing advanced orders for essential components.

Vocabulary List:

1. **Contract** /kən'trækt/ (verb): To decrease in size number or range.
2. **Shortage** /'ʃɔ:tɪdʒ/ (noun): A state in which there is not enough of something.
3. **Resilient** /rɪ'zɪl.jənt/ (adjective): Able to recover quickly from difficulties; tough.
4. **Viable** /'vai.ə.bəl/ (adjective): Capable of working successfully; feasible.
5. **Segmentation** /'segmən'teɪʃən/ (noun): The process of dividing something into parts or sections.
6. **Streamlining** /'stri:m.laɪn/ (verb): To make (an organization or system) more efficient and effective by employing faster or simpler working methods.

Comprehension Questions

Multiple Choice

1. What is the predicted contraction range for Malaysia's technology sector in 2026 according to MBSB Research?

- Option: 1.9% - 2.1%
- Option: 0.9% - 2.1%
- Option: 1.0% - 2.0%
- Option: 1.5% - 2.5%

2. Which factor is mentioned as vital for devices and could hinder the growth of AI in the smartphone industry in 2026?

- Option: Processor speed
- Option: Screen size
- Option: Memory chips
- Option: Battery capacity

3. Which memory chip producer plans to stop selling consumer memory by February 2026?

- Option: Samsung Electronics
- Option: Micron Technology
- Option: SK Hynix
- Option: Intel Corporation

4. What may be most affected in the smartphone segment due to rising memory costs, as per MBSB analysis?

- Option: Flagship models
- Option: Low-end smartphones
- Option: Foldable phones
- Option: Premium products

5. What action is suggested for companies to counteract the smartphone industry challenges mentioned?

- Option: Increasing prices
- Option: Introducing more low-end models
- Option: Lowering specifications
- Option: Expanding product lines

6. Which leading memory chip producer has sold out its entire 2026 production capacity for high-bandwidth memory, DRAM, and NAND?

- Option: SK Hynix



Option: Samsung Electronics
Option: Micron Technology
Option: Toshiba Memory Corporation

True-False

7. MBSB Research has a positive outlook on Malaysia's technology sector in 2026.
8. The global smartphone shipments decreased in 2026 due to the ongoing memory chip crisis.
9. Micron Technology plans to focus more on the consumer market in light of rising AI chip demand.
10. Flagship models, like those from Apple, may remain resilient in the face of increased memory costs.
11. Companies are advised to secure advanced orders for essential components to address industry challenges.
12. Low-end smartphones are expected to be less impacted by rising memory costs.

Gap-Fill

13. SK Hynix has sold out its entire 2026 production capacity for high-bandwidth memory, DRAM, and _____.

14. Micron Technology plans to stop selling consumer memory by _____.

15. To counteract industry challenges, companies may need to consider lowering specifications, streamlining their product lines, and encouraging _____.

16. Rising memory costs may lead to an increase in smartphone prices, making the low-price strategy _____.

17. MBSB Research forecasts a contraction range of _____ for Malaysia's technology sector in 2026.

18. The popularity of foldable phones contributed to the increase in global smartphone

Answer

Multiple Choice: 1. 0.9% - 2.1% 2. Memory chips 3. Micron Technology 4. Low-end smartphones 5. Lowering specifications 6. SK Hynix

True-False: 7. False 8. False 9. False 10. True 11. True 12. False

Gap-Fill: 13. NAND 14. February 2026 15. upgrades 16. less viable 17. 0.9% - 2.1% 18. shipments

Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)

1. What is a legally binding agreement between two parties?

- Option: A) Purchase
- Option: B) Contract
- Option: C) Sale
- Option: D) Offer

2. Which compounds can be found in various fruits and vegetables known for their antioxidant properties?

- Option: A) Carbohydrates
- Option: B) Polyphenols
- Option: C) Proteins
- Option: D) Fats

3. Which term refers to the introduction of new ideas methods or products?

- Option: A) Replication
- Option: B) Conservation
- Option: C) Innovation
- Option: D) Imitation

4. What measures the efficiency of production output?

- Option: A) Profitability
- Option: B) Productivity
- Option: C) Quality
- Option: D) Speed

5. Which term describes something that is absolutely necessary or extremely important?

- Option: A) Optional
- Option: B) Essential
- Option: C) Luxurious
- Option: D) Trivial

6. What means to act against or neutralize something?

- Option: A) Enhance
- Option: B) Improve
- Option: C) Counteract
- Option: D) Support

7. Which term refers to the distribution or positioning of resources and personnel?

- Option: A) Extraction
- Option: B) Deployment
- Option: C) Storage
- Option: D) Disposal

8. Which term is related to mental processes such as thinking learning and understanding?

- Option: A) Emotional
- Option: B) Cognitive
- Option: C) Physical
- Option: D) Spiritual

9. Which hormone is produced by the pineal gland and regulates sleep patterns?

- Option: A) Insulin
- Option: B) Estrogen
- Option: C) Melatonin
- Option: D) Serotonin

10. What term describes a deep mental involvement or absorption into an activity or experience?

- Option: A) Observation
- Option: B) Immersion
- Option: C) Distraction
- Option: D) Detachment

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

11. A _____ material is one that can withstand or recover from difficult conditions.

12. It is important to consume alcohol in _____ to avoid negative health effects.

13. The new software update offers several features for the _____ of user experience.

14. The two products are not _____ in terms of quality and performance.

15. After a long day at work I enjoy _____ by reading a book or listening to music.

16. In online gaming a high _____ can result in delays in player actions.

17. The study aims to investigate the _____ of historical events to current social issues.

18. GPS devices are widely used for accurate and efficient _____ during travel.

19. The performance of the team showcased their _____ over their opponents.

20. A _____ artist can work in various styles and mediums with equal proficiency.

21. Proper nutrition and rest are essential for muscle _____ after intense workouts.

Matching Sentences (Match each definition to the correct word from the vocabulary list.)

22. During the drought there was a severe shortage of water in the region.

23. The project proposal outlined a viable plan for sustainable energy production.

24. A diet rich in fruits and vegetables provides the body with essential antioxidants.

25. Regular exercise can help reduce inflammation in the body and improve overall health.

26. His pragmatic approach to problem-solving focused on practical solutions rather than theoretical concepts.

27. The software company developed an enterprise-grade solution for large-scale businesses.

28. The virtual reality game offered an immersive experience that made players feel like they were in another world.

29. The architect presented a new concept for the design of the city park.

30. His logical reasoning skills helped him analyze complex problems and reach sound conclusions.

31. The band experienced a resurgence in popularity after releasing their latest album.

Answer

Multiple Choice: 1. B) Contract 2. B) Polyphenols 3. C) Innovation 4. B) Productivity 5. B) Essential 6. C) Counteract 7. B) Deployment 8. B) Cognitive 9. C) Melatonin 10. B) Immersion

Gap-Fill: 11. resilient 12. moderation 13. enhancement 14. comparable 15. winding down 16. latency
17. relevance 18. navigation 19. dominance 20. versatile 21. recovery

Matching sentence: 1. Shortage 2. Viable 3. Antioxidants 4. Inflammation 5. Pragmatic 6. Enterprise-grade
7. Immersive 8. Concept 9. Reasoning 10. Resurgence

CATEGORY

1. Sci/Tech - LEVEL4

POST TAG

1. B2
2. challenging 2026
3. ESL learning
4. esl news
5. Level 4
6. MBSB
7. smartphone industry



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