

WSTS Projects 10.1 percent global semiconductor growth in 2006

Worldwide Chip Market to Grow 11 percent in 2007, 12.8 percent in 2008

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WSTS is an independent non-profit organization representing the vast majority of the world semiconductor industry (Internet address: www.wsts.org). These forecasts will be released twice a year, in May and October.

The global semiconductor market is expected to grow 10.1 percent on an annualized basis to \$250 billion in 2006, according to the spring forecast of the World Semiconductor Trade Statistics (WSTS). Projected growth in the worldwide semiconductor market will accelerate to 11.0 percent in 2007 and 12.8 percent in 2008 with Asia-Pacific being the largest and fastest growing regional market.

The WSTS 2006 projection is higher than the forecast released last autumn, which estimated an 8.0 percent growth for the year. The WSTS foresees a continuation of the growing demand enhanced by increasing semiconductor content for electronic products such as PCs, digital consumer appliances and mobile communications within a challenging but generally healthy world economy.

The current forecast assumes a consistent growth scenario as the industry anticipates positive growth throughout the forecasting period with low double-digit growth in 2006 followed by two more years of solid double-digit growth until 2008. While the forecasted semiconductor market does not show a pronounced cyclical pattern, several geographic regions and product groups maintain cycles similar to historical patterns. Asia Pacific continues to be seen as the fastest growing region, to a lesser extent because of a continuing shift in manufacturing but rather more due to rising domestic demand in this region.

Spring 2006	Amounts in US\$M				Year on Year Growth in %			
	2005	2006	2007	2008	2005	2006	2007	2008
Americas	40,736	46,451	51,004	56,497	4.3	14.0	9.8	10.8
Europe	39,275	40,471	44,327	49,022	-0.4	3.0	9.5	10.6
Japan	44,082	47,309	51,551	57,234	-3.7	7.3	9.0	11.0
Asia Pacific	103,391	116,228	131,119	150,747	16.5	12.4	12.8	15.0
Total World - \$M	227,484	250,459	278,001	313,500	6.8	10.1	11.0	12.8
Discrete Semiconductors	15,244	15,942	17,010	18,669	-3.3	4.6	6.7	9.8
Optoelectronics	14,902	16,404	18,267	20,916	8.6	10.1	11.4	14.5
Sensors	4,541	5,161	5,957	6,822	-4.7	13.7	15.4	14.5
Integrated Circuits	192,798	212,952	236,768	267,093	7.8	10.5	11.2	12.8
Analog	31,922	37,332	40,881	46,468	1.8	16.9	9.5	13.7
Micro	54,687	58,264	64,459	71,454	7.8	6.5	10.6	10.9
Logic	57,670	62,055	68,481	78,250	16.4	7.6	10.4	14.3
Memory	48,519	55,301	62,947	70,921	2.9	14.0	13.8	12.7
Total Products - \$M	227,484	250,459	278,001	313,500	6.8	10.1	11.0	12.8

Note: Numbers are rounded to whole millions of dollars, which may cause totals by region and product group to differ slightly.

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