

## WSTS Projects 8.5 percent global semiconductor growth in 2006

*Worldwide Chip Market to Grow 8.6 percent in 2007, 12.1 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](http://www.wsts.org)). These forecasts will be released twice a year, in May and October.

The global semiconductor market is expected to grow 8.5 percent on an annualized basis to \$247 billion in 2006, according to the autumn forecast of the World Semiconductor Trade Statistics (WSTS). Projected growth in the worldwide semiconductor market will moderately increase to 8.6 percent in 2007 and culminate with 12.1 percent in 2008, with Asia-Pacific being the largest regional market.

The WSTS autumn 2006 projection is lower than the forecast released this spring, which estimated a 10.1 percent growth for the year. The variances to the spring forecast relate to a few, albeit significant products, whereas the majority of products remained close to the patterns predicted in the spring. The most notable decline was in microcomputers.

The WSTS foresees a continuously growing demand for electronic products such as PCs, digital consumer appliances and mobile communications, enhanced by the increase of semiconductor content per installed system. These trends are expected to unfold in a challenging, yet generally healthy world economy.

The current forecast anticipates a consistent, positive growth throughout the forecasting period, peaking in 2008. While the forecasted semiconductor market does not show a pronounced cyclical pattern, some product groups maintain cycles similar to historical patterns. The Asia Pacific region continues to be the fastest growing geographical area, now primarily due to rising domestic demand, whereas the manufacturing shift had been the primary contributor to its past growth rate.

Autumn 2006	Amounts in US\$M				Year on Year Growth in %			
	2005	2006	2007	2008	2005	2006	2007	2008
<b>Americas</b>	40,736	45,405	48,788	53,997	4.3	11.5	7.4	10.7
<b>Europe</b>	39,275	39,615	42,325	46,969	-0.4	0.9	6.8	11.0
<b>Japan</b>	44,082	47,037	50,379	55,785	-3.7	6.7	7.1	10.7
<b>Asia Pacific</b>	103,391	114,710	126,392	143,520	16.5	10.9	10.2	13.6
<b>Total World - \$M</b>	227,484	246,768	267,883	300,271	6.8	8.5	8.6	12.1
<b>Discrete Semiconductors</b>	15,244	16,549	17,449	19,236	-3.3	8.6	5.4	10.2
<b>Optoelectronics</b>	14,902	16,618	18,441	20,874	8.6	11.5	11.0	13.2
<b>Sensors</b>	4,541	5,411	6,114	7,140	-4.7	19.2	13.0	16.8
<b>Integrated Circuits</b>	192,798	208,190	225,880	253,021	7.8	8.0	8.5	12.0
Analog	31,922	37,075	40,069	45,473	1.8	16.1	8.1	13.5
Micro	54,687	54,241	58,557	65,418	7.8	-0.8	8.0	11.7
Logic	57,670	59,943	65,243	74,298	16.4	3.9	8.8	13.9
Memory	48,519	56,931	62,011	67,832	2.9	17.3	8.9	9.4
<b>Total Products - \$M</b>	227,484	246,768	267,883	300,271	6.8	8.5	8.6	12.1

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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