

WSTS Semiconductor Market Forecast

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.

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From The WSTS Board of Directors:

According to the World Semiconductor Trade Statistics (WSTS), the world semiconductor market is expected to reach \$B227 in 2005, an increase of 6.3% over 2004. This is very close to the forecast issued a year ago, while the forecast made in autumn 2004 drew a less optimistic scenario of 1.2% growth for 2005. Within the environment of a generally recovering world economy and growing demand in major application end-markets, semiconductor industry growth in the first quarter of 2005 was stronger than projected, despite of first signs of deceleration observed in the second half of 2004.

While the current forecast maintains the “soft landing” scenario, the industry anticipates positive growth throughout the forecasting period with mid single-digit growth rates in 2005 and 2006 and thereafter to resume double digit growth. While the forecasted semiconductor market cycle is considerably smoother than previous cycles, the different regions and products maintain their historical patterns. That is, the memory product cycle is more pronounced than the other products and Asia Pacific continues to be the fastest growing region, due not only to a continuing shift in equipment production but also to rising internal demand in those countries. The growth of equipment production in Mainland China is expected to sustain faster than average growth in Asia throughout the entire forecasting period.

Spring 2005	Amounts in US\$M				Year on Year Growth in %			
	2004	2005	2006	2007	2004	2005	2006	2007
Americas	39,065	38,528	39,050	42,373	20.8	-1.4	1.4	8.5
Europe	39,424	41,461	43,443	47,630	22.0	5.2	4.8	9.6
Japan	45,757	47,261	49,331	53,753	17.5	3.3	4.4	9.0
Asia Pacific	88,781	99,284	106,408	119,568	41.3	11.8	7.2	12.4
Total World - \$M	213,027	226,534	238,232	263,324	28.0	6.3	5.2	10.5
Discrete Semiconductors	15,762	15,846	16,590	17,999	18.1	0.5	4.7	8.5
Optoelectronics	13,726	14,960	16,285	18,231	43.8	9.0	8.9	11.9
Sensors	4,767	4,641	5,428	6,503	33.6	-2.6	16.9	19.8
Integrated Circuits	178,772	191,087	199,929	220,592	27.7	6.9	4.6	10.3
Analog	31,367	30,530	32,502	35,950	17.1	-2.7	6.5	10.6
Micro	50,734	55,236	60,024	66,152	16.6	8.9	8.7	10.2
Logic	49,535	58,355	62,402	69,136	33.4	17.8	6.9	10.8
Memory	47,136	46,966	45,001	49,354	45.0	-0.4	-4.2	9.7
Total Products - \$M	213,027	226,534	238,232	263,325	28.0	6.3	5.2	10.5

Note: All numbers are displayed as rounded to whole millions of dollars. Due to that totals by region and by product may differ slightly.

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