

ESIA Press Release

Brussels, October 28, 2003

### WSTS Semiconductor Market Forecast

The World Semiconductor Trade Statistics (WSTS) has released today its Fall 2003 forecast. According to this forecast, the semiconductor market is set for three consecutive years of double-digit growth, from 2003 through 2005. The market should grow +14.2% in 2003, to reach \$160.7 billion, a strong acceleration from the minimal growth of +1.3% in 2002. The market growth is expected to gain momentum through 2004 to a healthy +19.4%, reaching \$191.9 billion. In 2005, the market should grow +12.6%, to \$216.1 billion, beating the historical record of 2000 (\$204.4 billion). A moderate downturn is foreseen in 2006, the end of the forecast time frame, with total worldwide sales ending still above the high market reached in the year 2000.

Unlike 2002 when the market increased only in Asia/Pac, all the regions are returning to growth in 2003 and 2004. In Asia/Pac, the market should grow +18.2% in 2003 and +22.7% next year; in the meantime, the forecast is +22.5% and +19.2% for Japan, +0.8% and +17.4% in Americas, +12.8% and +15.1% in Europe. It is worth noting that the Euro/\$ exchange rate is significantly boosting the growth of the European market in 2003 which should be negative in Euro (-4.7%). By 2006, Asia/Pac is expected to increase its share of the worldwide market to 40.1% from 37.6% in 2003, at the expense of Japan (from 23.2% to 22.7%), Americas (from 19.6% to 18.6%) and Europe (from 19.5% to 18.6%).

In the wake of the current upturn, the market is gathering steam essentially from personal computing, wireless communications and digital consumer. Automotive, important for Europe, will keep its pace shown in the last years with double digit growth, too. Strong growth rates are projected for Flash memories in 2003 and 2004 that are much higher than the rest of the semiconductor industry (+41.4% and +38.0%); the DRAM market is expected to accelerate from +10.1% in 2003 to +29.1% in 2004, MPU likewise (+11.9% and +16.2%). The application specific standard ICs for wireless communications (including DSPs) are expected to grow +29.2% this year and +25.3% in 2004. Optoelectronics (+35.5% in 2003, +25.1% in 2004) and Sensors (+42.7% and +23.7%) are also outgrowing the total market. ASSPs for automotive are benefiting from the increasing penetration of electronics in the cars (+11.6% in 2003, +15.8% in 2004).

The table shows the actual forecast numbers from the WSTS Fall Forecast October 2003

	Amounts in US\$M			Year on Year Growth in %		
	2003	2004	2005	2003	2004	2005
<b>Total World - \$M</b>	<b>160,711</b>	<b>191,861</b>	<b>216,051</b>	<b>14.2</b>	<b>19.4</b>	<b>12.6</b>
Americas	31,522	37,021	41,480	0.8	17.4	12.0
Europe	31,350	36,097	39,984	12.8	15.1	10.8
Japan	37,361	44,541	48,973	22.5	19.2	10.0
Asia Pacific	60,478	74,202	85,614	18.2	22.7	15.4
<b>Discrete Semiconductors</b>	<b>13,096</b>	<b>14,665</b>	<b>16,023</b>	<b>6.1</b>	<b>12.0</b>	<b>9.3</b>
<b>Optoelectronics</b>	<b>9,197</b>	<b>11,508</b>	<b>13,144</b>	<b>35.5</b>	<b>25.1</b>	<b>14.2</b>
<b>Sensors</b>	<b>1,507</b>	<b>1,864</b>	<b>2,255</b>	<b>42.7</b>	<b>23.7</b>	<b>20.9</b>
<b>Integrated Circuits</b>	<b>136,910</b>	<b>163,824</b>	<b>184,629</b>	<b>13.6</b>	<b>19.7</b>	<b>12.7</b>
Bipolar	209	184	154	-7.5	-12.3	-16.0
Analog	26,482	30,777	34,317	10.7	16.2	11.5
Micro	42,696	49,941	54,808	12.2	17.0	9.7
Logic	35,810	42,010	46,828	14.5	17.3	11.5
Memory	31,712	40,912	48,522	17.3	29.0	18.6

PR Contacts:

Martin Spaet  
 EECA-ESIA  
 Diamant Building  
 Boulevard Auguste Reyers 80  
 B - 1030 Bruxelles  
 +32 2 706 8600  
 secretariat@eeca.be

For further information please consult

WSTS Vice Chairman Europe:  
 Dr. Ulrich Schaefer  
 c/o Robert Bosch GmbH  
 Reutlingen, Germany  
 +49 7121 35 2333  
 u.schaefer@de.bosch.com