



European Semiconductor Industry Association

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## WSTS Semiconductor Market: Autumn Forecast 2004-2007

The year 2004 is expected to grow by 28.5%, the World Semiconductor Trade Statistics (WSTS) released today. The worldwide market will be valued at 213.8\$bn by the end of the year, the same value WSTS already forecasted in May 2004.

*It will be a very good year for Europe, at comparable levels to the historical peak year 2000. The market is valued at 39.2 \$bn, meaning a 21.2% growth over the previous year. Furthermore, the European market share will remain stable in the coming years, this despite ongoing shifts in production and continuing strong increases of the Asia Pacific region.*

Specifically, 2004 growth has been driven in all regions by the good performance in memory products (+33.5% in Europe), optoelectronics (+61.2% in Europe, particularly image sensors - used in digital still cameras and mobile phones) and application specific Logic ICs (+40.4% in Europe) for use in communication and automotive. The latter two product categories are traditional drivers for Europe. The good results of MCU (32.8% year-on-year and 31.5% of worldwide total) and sensors (23% year-on-year and 26,1% of worldwide totals) reflect the strong performance of the car electronic industry in 2004 over 2003.

Looking beyond 2004, slowing worldwide economic conditions and the cyclical behaviour of the semiconductor sector will impact on 2005-2006 results. The forecasted growth rates of the world market will still be positive during this period (1.2% and 3% respectively), making the next downturn a moderate one.

Europe will grow 0.2% in 2005 and 2.2% in 2006, with a market share of 17.9% and 17.8%, still keeping pace in growth terms with the leading Asia Pacific (consolidating its leadership with a 42.3% and 43.1% of market share in 2005-2006), Japan (21.8% in both 2005-2006) and the Americas (18% and 17.3% respectively).

For 2007 WSTS predicts a return to double-digit growth (+11.4%) with Europe to account for 17.6 % in total consumption, growing at 10.4% over the previous year. Chips designed for use in telecommunications, digital consumer and automotive applications will drive the growth of the market during the forecast time frame.

*Detailed data are shown on the following page*

**About EECA-ESIA: The European Semiconductor Industry Association (ESIA)**, part of the European Electronic Component manufacturers' Association (EECA), represents the European-based manufacturers of semiconductor devices. The semiconductor industry provides the enabling technology, which is at the forefront of the development of the digital economy. The sector supports over 86,000 jobs in a market currently valued at around €28.5 bn.

**About WSTS:** Established in 1986, the World Semiconductor Trade Statistics is a non-profit corporation whose mission is to provide timely, accurate and authentic semiconductor market data on industry product shipments in a product line format serving the broad marketing and executive needs. In 2004 WSTS members are 72 semiconductor companies from all over the world representing around 90% of the world's semiconductor market. The programme covers 122 product lines for all world regions

## Detailed data:

	Amounts in US\$M			Year on Year Growth in %		
	2004	2005	2006	2004	2005	2006
<b>Total World - \$M</b>	<b>213,78</b>	<b>216,32</b>	<b>222,82</b>	<b>28.5</b>	<b>1.2</b>	<b>3.0</b>
Americas	39,20	38,60	38,20	21.2	-1.5	-1.0
Europe	39,15	39,21	40,07	21.2	0.2	2.2
Japan	46,13	46,76	48,30	18.5	1.4	3.3
Asia Pacific	89,29	91,75	96,24	42.1	2.8	4.9
<b>Discrete Semiconductors</b>	<b>15,94</b>	<b>15,90</b>	<b>16,37</b>	<b>19.4</b>	<b>-0.2</b>	<b>2.9</b>
<b>Optoelectronics</b>	<b>13,90</b>	<b>15,92</b>	<b>17,26</b>	<b>45.7</b>	<b>14.5</b>	<b>8.4</b>
<b>Sensors</b>	<b>4,83</b>	<b>5,40</b>	<b>6,10</b>	<b>35.4</b>	<b>11.6</b>	<b>13.0</b>
<b>Integrated Circuits</b>	<b>179,10</b>	<b>179,11</b>	<b>183,09</b>	<b>28.0</b>	<b>0.0</b>	<b>2.2</b>
Bipolar	0,24	0,20	0,16	11.4	-18.0	-18.0
Analog	31,32	31,56	32,89	16.9	0.8	4.2
Micro	50,27	51,19	54,36	15.5	1.8	6.2
Logic	49,65	50,25	52,54	34.5	1.2	4.6
Memory	47,62	45,91	43,14	46.5	-3.6	-6.0

Source: WSTS Fall Forecast

WSTS monthly data in full product detail is available via subscription. For more information please contact the EECA-ESIA office under [secretariat.gen@eeca.be](mailto:secretariat.gen@eeca.be) or visit our website at <http://www.eeca.org/esia.htm>.

EECA-ESIA is a chartered member of the World Semiconductor Council and licensee of WSTS (<http://wsts.www5.kcom.at/>) data for Europe, Middle East and Africa.

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