

## WSTS Projects 6.6 percent global semiconductor growth in 2005

*Worldwide Chip Market to Grow 8 percent in 2006, 10.6 percent in 2007*

27 October 2005 - 6:00 UTC

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 6.6 percent on an annualized basis to \$227 billion in 2005, according to fall forecast of the World Semiconductor Trade Statistics (WSTS). Projected growth in the worldwide semiconductor market will accelerate to 8.0 percent in 2006 and 10.6 percent in 2007 with Asia-Pacific being the largest and fastest growing regional market.

The WSTS 2005 projection is higher than the forecast released a year ago, and consistent with the spring 2005 forecast, which estimated a 6.3 percent growth for the year. The WSTS foresees a continuation of the growing demand for electronic products such as PCs, digital consumer and mobile communications against the backdrop of a challenging but generally healthy world economy.

The current forecast maintains a "soft landing" scenario as the industry anticipates positive growth throughout the forecasting period with high single-digit growth in 2006 followed by double-digit growth in 2007. While the forecasted semiconductor market cycle is considerably smoother than previous cycles, several geographic regions and product groups maintain cycles similar to historical patterns. Asia Pacific continues to be seen as the fastest growing region, not only because of a continuing shift in manufacturing but also due to rising domestic demand in this region.

Autumn 2005	Amounts in US\$M				Year on Year Growth in %			
	2004	2005	2006	2007	2004	2005	2006	2007
<b>Americas</b>	39,065	39,941	41,715	45,401	20.8	2.2	4.4	8.8
<b>Europe</b>	39,424	39,491	41,495	45,506	22.0	0.2	5.1	9.7
<b>Japan</b>	45,757	44,489	46,841	50,771	17.5	-2.8	5.3	8.4
<b>Asia Pacific</b>	88,781	103,138	115,202	129,535	41.3	16.2	11.7	12.4
<b>Total World - \$M</b>	213,027	227,059	245,253	271,213	28.0	6.6	8.0	10.6
<b>Discrete Semiconductors</b>	15,762	15,175	15,656	16,751	18.1	-3.7	3.2	7.0
<b>Optoelectronics</b>	13,726	14,917	16,597	18,511	43.8	8.7	11.3	11.5
<b>Sensors</b>	4,767	4,632	5,491	6,436	33.6	-2.8	18.6	17.2
<b>Integrated Circuits</b>	178,772	192,336	207,509	229,515	27.7	7.6	7.9	10.6
Analog	31,367	31,480	33,927	37,249	17.1	0.4	7.8	9.8
Micro	50,734	54,932	60,228	66,103	16.6	8.3	9.6	9.8
Logic	49,535	57,527	62,083	69,232	33.4	16.1	7.9	11.5
Memory	47,136	48,397	51,271	56,931	45.0	2.7	5.9	11.0
<b>Total Products - \$M</b>	213,027	227,060	245,253	271,213	28.0	6.6	8.0	10.6

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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