

EE Times: Semi News
Analysts disagree over IC forecasts

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HALF MOON BAY, Calif. — As expected, industry forecasters disagreed about the overall outlook of the IC business and capital spending for 2006. During presentations at the Industry Strategy Symposium (ISS), Gartner/Dataquest, IC Insights Inc., iSuppli Corp. and VLSI Research Inc. separately see single-digit growth this year, while Semico Research Corp. has another and different opinion.

Jim Feldhan, president of Semico, remains bullish and re-iterated the market research firm's forecast for 17 percent growth in semiconductors for 2006. Capital spending is expected to be up 12 percent in 2006, Feldhan said.

Demand remains strong for traditional applications like PCs, cellular phones and digital cameras, he said. New applications like HDTV, DVDs and others will drive demand.

Others had a different viewpoint. "We believe the industry is maturing," said Bill McClean, president of market research firm IC Insights.

McClean predicts the IC industry will grow by 8 percent in 2006. The market will grow by 13 percent in 2007 and 23 percent in 2008, he said. Capital spending is expected to grow by 5 percent in 2006, he said.

Klaus Rinnen, an analyst with Gartner/Dataquest, predicts 7.6 percent growth for ICs in 2006. Capital spending, however, will fall 0.4 percent this year, he said.

Derek Lidow, president and CEO of iSuppli, said 2006 chip growth is pegged at 6.7 percent despite a decline in the electronic systems market.

Following a flat 2005, VLSI Research Inc. predicts a positive outlook for the semiconductor industry in 2006. Semiconductor revenues are expected to increase by 8.2 percent in 2006, while equipment for ICs and flat-panel displays should grow 6 percent over 2005, according to the research firm.

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