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EE Times:

Freescale's Mayer sees single-digit growth

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CHANDLER, Ariz. — The semiconductor industry can expect at best single-digit growth in the coming years because no industry can "outgrow the GDP," the chief executive of Freescale Semiconductor said Tuesday (March 15) at the Semico Summit here.

Michel Mayer's comments came in marked contrast to predictions Monday that industry growth will be in the mid-teens for the foreseeable future.

"The industry is maturing," Mayer said. "We could not continue 17 percent compound growth rates. No industry can outgrow the GDP forever."

"We may not like it. We may not feel good, but it happened to a lot of industries before—steel, railroads," Mayer added.

The CEO said convergence, a need for open standards and a shift away from an IT-driven industry to a consumer-driven industry would pressure prices and reduce industry growth to single digits.

"We might move from real men have fabs to real men make money," he said, referring to the famous fabs quotation attributed to either Cypress Semiconductor CEO T.J. Rodgers or AMD founder Jerry Sanders.

Monday, Semico President Jim Feldhan and LSI Logic chairman and chief Wilf Corrigan said the industry can expect average growth in the coming years of roughly 16 percent. The industry historically has grown 16 to 19 percent per year since the 1960s, but many have suggested that a maturing industry can expect average growth below 10 percent in the future.

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