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## Semico: IC industry in 'downturn'

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SAN JOSE, Calif. — Don't look now, but the IC industry is in the midst of another downturn, according to Semico Research Corp.

Semico has reduced its IC forecast to minus 0.5 percent in 2007, down from plus 1.8 percent in its most recent prediction. But based on its internal indicators, the IC forecast could fall to minus 3.5 percent to minus 5 percent in 2007, said Jim Feldhan, president of Semico (Phoenix).

Any figure in negative territory constitutes a downturn. "We avoided calling it a downturn at the beginning of the year," Feldhan said. "We were calling it an inventory correction. By March, it's been a downturn."

The new forecast reflects a longer-than-expected inventory glut, a downturn in the [DRAM](#) market and plunging average selling prices (ASPs), he said.

Last fall, Semico had raised its 2007 outlook to a 7 percent growth rate. In April, Semico lowered its semiconductor forecast, saying that the IC market will grow a mere 1.8 percent this year.

On the bright side, Semico did raise its IC forecast from 15 percent to 19 percent growth in 2008.

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