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Semiconductor IP continues growth path, Semico reports

By Ann Steffora Mutschler, Senior Editor -- 3/26/2008

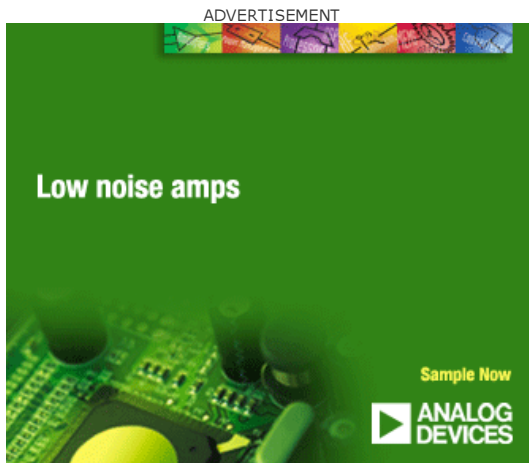
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Through its ability to help reduce the design time and overall costs for SoCs, the third party semiconductor intellectual property (SIP) market has continued to increase its importance to chip designers, according to Phoenix-based market research company **Semico Research**.

The growth of the third party IP market in 2007 is expected to continue during the next five years with a 2007 to 2012 compound annual growth rate forecasted by Semico to exceed 18%, propelling the SIP market to surpass \$5.5 billion in 2012.

Breaking down the SIP market into third party developed IP and internally developed IP, Rich Wawrzyniak, senior analyst at Semico, observed that when SIP is looking at as a function of total silicon costs, third party developed IP has decreased dramatically and now represents less than 5%, while internally developed IP is greater than 25% of silicon costs.

"To combat some of the non-recurring engineering (NRE) costs associated with SIP, it is likely the market will see IDMs start to license their own internally developed, proprietary SIP to third parties who are not direct customers of their silicon as a means of offsetting these new costs," he said in a statement.



Semico also noted that a new trend in the SIP and SoC market is to include more than one complete SoC on the same die, facilitated by better, more functional SIP.

Further, the number of separate IP blocks used in complex SoC designs is expected to increase, reaching approximately 30 per design in 2007.

Both of these trends are predicted to continue in the future, Semico concluded.

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