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8-bit MCU market still alive, says ST executive

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Regarding the MCU market, Colonna said he identified two issues. He explained: "The first one is the growing software content. Definitely, I think there will be moves in the software industry. We see people like Microsoft, for instance, willing to enter the MCU market. There are a lot of things moving in the 32-bit market in terms of software."

The second issue is more on the lower end. He continued: "There is also an 8-bit market. It is not dead. It is still alive and kicking. There is still an interesting market to serve but there is a very strong price pressure. The main issues are to lead the long-term profitability and the price pressure."

Geoff Lees, general manager of the MCU product line at NXP, offered an opposite view. He indeed declared: "We are seeing the end of the 8-bit. There will be one or two winners but many losers."

Speaking in the name of ST, Colonna immediately replied: "Well, obviously, we disagree. We have a different interpretation of the market data. We still believe there is a market for 8-bit MCUs. We are not that pessimistic for the 8-bit unit growth. We need to make the right choice in terms of silicon and design technologies. We know, at ST, how to address this."

He added: "The 8-bit market will drop in price. We see certainly the 32-bit cannibalizing the 16-bit market and this will happen fast."

Commenting on the subject, Jacko Wilbrink, MCU director at Atmel, declared: "The 32-bit market has been created fairly recently. This is probably why it is growing. I expect we create more possibilities for 32-bit than it was the case for 8-bit."

The global 32-bit MCU market is expected to grow at a compound annual growth rate (CAGR) of 24.5 percent on a unit basis through 2011, according to Semico Research. The CAGR in sales is set to reach 17.8 percent for the same period.

Currently, the 32-bit MCU market is dominated by proprietary 32-bit microcontroller suppliers such as Renesas, with a 27.7-percent market share, NEC, with a 22.9-percent market share, and Freescale, with a 17.3-percent market share.



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