



LIGHT READING

LR EUROPE

CABLE DIGITAL

UNSTRUNG

CONTENTINOPLE

BLOGS

EVENTS



VALLEY WONK

Go to a section

GO

[Home](#) > [Valley Wonk](#)

► Valley Wonk RSS

No Joy in Chipland

MARCH 12, 2009
[Discuss](#) > [Share](#) >

2:00 PM -- The CEO of [Xilinx Inc.](#) (Nasdaq: [XLNX](#)) thinks venture capital isn't coming back to the semiconductor industry any time soon, as noted in this [EE Times](#) piece.

Moshe Gavrielov threw that delightful tidbit into his talk at this week's Semico Summit, an annual conference put on by analysts at [Semico Research Corp.](#) It's a good venue for learning about the state of the chip and chip-manufacturing industries, and -- because it's in Phoenix -- a nice opportunity to slip away for a couple of [spring training](#) games.

About that lack of VC money, though. Gavrielov's point is that it costs too much -- and takes too long -- to nurture a chip startup.

Yes, Xilinx stands to benefit if chip startups go away, because that would prod systems vendors into trying their own designs, driving up [Field Programmable Gate Array \(FPGA\)](#) demand. Gavrielov has brought up this point before, at Xilinx's analyst meeting in January, as evidence of the FPGA market expanding. (See [Xilinx Minds the Gap.](#))

But I think his point is valid. Software tools have made chips easier to design, and foundries like [Taiwan Semiconductor Manufacturing Company \(TSMC\)](#) (NYSE: [TSM](#)) mean you don't have to build the devices yourself -- but even so, the cost of making a cutting-edge chip will run in the tens of millions of dollars. Contrast that to the two-person "Web 2.0" operation that can toss out three ideas a week from [Starbuck's](#) (assuming they can wrest a table from all the laptop jockeys working on their screenplays). It might be unclear how those startups can make money, but it's a cheap gamble with potentially quick results, good or bad. Which one would you invest in?

The situation isn't permanent. Chips aren't going away. So, if no one invests in chips, then *someone* is going to start, because it would be an underfunded area. But what we won't get, at least not in the next cycle or two, is a bevy of chip companies all chasing the same target. The herd mentality just isn't there right now.

— Craig Matsumoto, West Coast Editor, [Light Reading](#)

[Discuss](#) > [Share](#) >
[More of this entry](#) >

[Click here to talk back...](#)

Still Spending on Ethernet

MARCH 11, 2009

6:00 PM -- Reliance serves up some numbers
[more](#)>

Cisco Drops Hints

MARCH 10, 2009

3:35 PM -- A not-so-revealing CTO chat
[more](#)>

CyOptics: Not Dead Yet

MARCH 06, 2009

5:45 PM -- Don't look for proof on the Website, though
[more](#)>

10Gig EPON Warms Up

MARCH 03, 2009

3:50 PM -- Let the ROI debates begin
[more](#)>

Juniper's Same Old Look

FEBRUARY 26, 2009

5:50 PM -- Nobody panic. There's no new logo
[more](#)>

MARCH 12, 2009

[CONTACT US](#) > [LOG IN](#) > [HELP](#) >

REGISTER

Search

Past Year

GO

[REFINED SEARCH / ARCHIVE](#) >

Right Now on LR

Clearwire Calls on Vodafone Vet for New CEO

Former European and Asian Vodafone chief Bill Morrow will now head up Clearwire's race to be first with a nationwide next-gen wireless broadband network in the U.S.

Heavy Lifting

Analyst Notes

BY ALAN BREZNICK, SENIOR ANALYST



Solving Cable's Upstream Dilemma

MARCH 9, 2009
Even the rollout of Docsis 3.0 isn't

providing the solution cable needs to cure its glaring upstream bandwidth problem

[MORE ANALYST NOTES](#)

The Bloggers

Valley Wonk

BY CRAIG MATSUMOTO



No Joy in Chipland

MARCH 12, 2009
2:00 PM -- Xilinx reiterates that VCs don't want silicon

Monkey Bidness

BY LARRY



Have a Nice Drunk!

MARCH 12, 2009
11:35 AM -- Drive careful now!

Wireless Bits

BY MICHELLE DONEGAN



VOD, O2 to Share Networks?

MARCH 12, 2009
9:00 AM -- Report says UK deal is imminent

Jonestown

BY DAN JONES



\$97 Android

MARCH 11, 2009
10:00 PM -- Amazon has the G1 cheap

Red Panda

BY RED PANDA



Avoid the Tincture

MARCH 11, 2009
6:15 PM -- Prince Charles is accused of 'outright quackery'

Most Popular