



## Semico Summit Reveals Views on Opportunities Across Diverse Markets

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3/21/2005 - With the intensity of baseball coaches looking to assemble a winning season, more than 170 semiconductor industry executives gathered at this week's Semico Summit to share their views on the market opportunities taking shape this year. Acknowledging that demand for "bread-and-butter" products like computers and cell phones will continue, but not drive the industry, consensus among this group of leaders was that consumers will drive demand for semiconductor chips.

Keynote speaker, LSI Logic Chairman and Chief Executive Officer Wilfred J. Corrigan cited faster consumer adoption rates of new electronic entertainment devices. He noted that consumers took an average of 2,000 photos over the course of their lifetime using old 35mm cameras. With the introduction of digital cameras, that average soared to 50,000 photos over a lifetime. Corrigan also encouraged attendees to build their markets in geographical regions like Eastern Europe, India, and China where the number of consumers is quickly rising along with the appetite for innovative electronic devices.

Michel Mayer, chairman and CEO of Freescale Semiconductor, Inc., gave the second keynote. Mayer said, "While we, along with most forecasters, expect demand and revenues to tick back up next year, it seems likely that the long-term growth rate of our industry will slow somewhat in the years to come." He added that the semiconductor industry is maturing, making competitive performance the key to success. As products become more complex and offer more built-in features, Mayer said that the industry would need to cooperate through corporate alliances and through the creation of open standards to offer innovative products.

Offering a new look at a market taken for granted, Bosch, Freescale, Infineon and Philips entertained attendees with a vision of the car of the future. Freescale's Paul Grimme, said cars will become "autonomous vehicles" that are characterized by five attributes: sensors to absorb their environment; processors that will determine a course of action; networks to link and coordinate functions; smart power to control those functions; and, what he termed "total reliability" to create driver trust in the vehicle.

Dr. Reinhard Ploss of Infineon Technologies AG, put the car of the future in terms of sales concepts, saying consumers seek safety, performance and comfort in their vehicles. Echoing these sentiments, Bill Galione of Philips Semiconductors, said drivers and passengers both want to "feel at home" in their car and "enjoy" their time on the road. Dr. Claus Schmidt of Bosch reminded that audience that while automotive manufacturers were increasingly relying on semiconductors to deliver these comfort features, electronics companies needed to ensure that the reliability and quality of their devices achieved "zero defects".

Summarizing the themes heard at the conference, Jim Feldhan, president and CEO of Semico Research said, "Industry leaders are looking to leverage last year's solid growth into a sustainable formula that's immune to economic and market shifts. What we heard over and over this week is that opportunities will come in the form of many markets and that we should not look for one single product to fuel our collective growth. I believe we'll see that companies are targeting their markets with a sharper strategic eye than in the past. This is the advantage and wisdom of a maturing industry."

About Semico

Semico Research Corp is a marketing and consulting research company located in Phoenix, Arizona. Semico was founded in 1994 by a group of semiconductor industry experts. The Company has improved the validity of semiconductor product forecasts via technology roadmaps in end-use markets. For more information, see the Company's website at [www.semico.com](http://www.semico.com).