

The logo for Tekrati, featuring the word "Tekrati" in a white serif font centered within a dark purple square.

Semico Reiterates Optimistic 2006 Semiconductor Industry Forecasts
Semico Research Corp. - May 2, 2006
<http://www.tekrati.com/research/News.asp?id=6870>

Semico Research recently reiterated its December 2005 worldwide semiconductor revenue forecast of 17 percent growth and its forecast of 12.6 percent growth for the semiconductor equipment market this year. Semico says the 2006 forecasts demonstrate its strength in accurately forecasting market sizing and directions, with both forecasts on track and achievable.

In September 2005, Semico correctly identified the market drivers and industry strength that would support double-digit semiconductor growth market. Semico presented the semiconductor equipment forecast at the SEMI ISS conference in January 2006. At that time, the company says, other forecasters were dubious about Semico's optimistic outlook.

Semico reports that in April, their predictions of strong demand from cell phones, PCs and other consumer products began materializing.

According to Semico, while their optimism for 2006 is proving to be correct, others who produce market data have begun raising their forecasts to come into alignment with the Semico figures.

Semico notes that adding to the strength of the semiconductor market is the relative strength of the overall economy. Worldwide economic conditions can only be described as healthy. Corporate profits are up and consumer spending is strong as personal income grows. Unemployment and inflation remain in check. Oil prices are the only dark cloud in the sky; however, Semico does not believe this will develop into a major storm that will disrupt the economic momentum.

From Semico's viewpoint, the basic fundamentals are the same as they were 6 months ago. Capacity utilization remains high, producing more of a seller's market. The consumer continues to love electronics, and the demand for digital consumer products remains strong. Wireless technology is also robust. Semico observed all of this at the end of last year. The new features and expanding subscribers for cell phones continue to propel that market to new heights in 2006.

About the market research study

These forecasts are available through the monthly Semico Inflection Point Indicator (IPI) Service. The IPI Service delivers monthly reports that contain a detailed overview of the data and analysis released in selected Semico studies. These summaries provide a high-level overview of end-use market and semiconductor product forecasts. IPI Service subscribers also receive the Semico Spin, a weekly compilation of timely news analysis from Semico's respected industry analysts.