

World Semiconductor Market Seen To Grow Through 2008

Wednesday, November 09, 2005 / Sim Kyu-ho

http://english.etnews.co.kr/news/detail_top.html?id=200511090001&art_grad=9

Market research organizations and experts project rosy outlook for the world semiconductor market for several years through 2008, propelled by steady growth in demand for mobile gadgets, digital consumer electronics and PCs.

Quoting the forecast made by the World Semiconductor Trade Statistics (WSTS), the Korea Semiconductor Industry Association said Tuesday that the world semiconductor market would record two-digit growth rate in 2007 after maintaining a modest growth next year.

The WSTS forecast the world semiconductor market would rise 8% to 245.2 billion dollars next year from 227 billion dollars this year, and then to 271.2 billion dollars in 2007, an increase of some 11%. "In our new forecast, we slightly raised the growth rate compared to that made in May. We predict the market will show steady growth for several years," said the WSTS.

By region, the WSTS anticipates that the Asian market will grow by 16.2% this year, and 11.7% and 12.4% next year and in 2007, respectively, leading the growth of the world market. The world organization expects Japanese market, which is seen to decline by 2.8% this year, to rise 5.3% and 12.4% in 2006 and 2007, respectively. It also predicts the U.S. and European semiconductor market will grow by 8.8% and 9.7% in 2007, respectively.

Earlier, a market researcher Semico Research forecast that the semiconductor market would begin to rebound in April or May next year, and continue to grow through the first half of 2008. The company also predicted the world semiconductor market would rise as high as 18.2% to 262.1 billion dollars next year.

Another market research firm iSuppli forecasts that the world demand for 256Mb dynamic RAMs will increase from 7.037 billion dollars this year to 10.985 billion dollars next year.

Experts also predict thriving semiconductor market next year. "Market for dynamic RAMs and NAND flash memories will reach 37.8 billion dollars, nearly equivalent to figures in 1995, the most flourishing year," said Pak Yeong-ju, analyst at Woori Investment & Securities. "The market for flash memories is anticipated to continue growing sharply through next year, and dynamic RAM market is also forecast to begin flourishing in the second half of next year when the new Windows operating system 'Vista' is launched," said Jeong Chang-won, analyst at Daewoo Securities.