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Foundries set to raise prices in 2006, says Semico

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LONDON — Annual revenues at foundries are set to increase by 29 percent in 2006 compared with 2005, according to market forecasting company Semico Research Corp.

At the same time demand for wafer production at foundries is set to increase by 23 percent, Semico (Phoenix, Arizona) said. As supply won't exceed demand this implies that average selling prices from foundries are set to rise.

This could be due to a mix of continuing restricted availability together with movements to more advanced and higher-priced manufacturing processes. This would offset a trend towards lower ASPs as products on established processes go to higher volumes.

A rough calculation shows that a 4.87 percent increase in ASPs on unit volumes increased by 23 percent would render revenue increased by 29 percent.

Semico did not say what the absolute value of foundry revenues would be in 2005 or 2006.

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