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Semico raises 2005 chip sales forecast

Business booming

http://www.channelregister.co.uk/2005/09/19/semico_chip_sales_forecas/

Market watcher Semico has doubled its growth forecast for the chip industry this year.

The company had said its expects 2005's sales to come in just two per cent above 2004's total, but now it's upped the growth figure to four per cent. That should see sales total \$221.6bn.

In 2006, sales will leap a further 18.2 per cent to \$262.1bn, Semico said, EETimes .

That said, the company cut its forecast for 2007 and 2008, reducing its 2007 growth forecast from 19.8 per cent to 17.8 per cent, and its 2008 growth forecast from 18.1 per cent to 15.4 per cent. The reduction still leaves the chip industry making \$308.7bn and \$356.3bn, respectively, in those two years.

Sales will fall in 2009, Semico reckons, falling 2.8 per cent to \$346.3bn.

Semico's change of heart comes in marked contrast to a forecast made by rival market watcher iSuppli. Two weeks ago, iSuppli halved its forecast from 5.9 per cent to 2.4 per cent. iSuppli is expecting a poor Q4, with falling demand pushing prices down even further - as will increasing output.

Short-term forecasts hinge on the effect of rising energy costs - will be rise sufficiently to dampen consumer and business spending on technology. iSuppli thinks they might - Semico admits the possibility, but believes PC and mobile phone spending remain strong. Market researcher Advanced Forecasting earlier this month took the same line, pegging its forecast in rising unit shipments - a sign, it believes, of growing demand. ®