

IC design houses: No price ups on mature processes

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http://www.digitimes.com/bits_chips/a20050920A2007.html

Despite some analysts stating that foundry prices have risen for mature processes amid strong demand, sources at local IC design houses claim that lead times remains normal and that more capacity is available this quarter than last quarter.

A recent EE Times report quoted analysts as saying that foundry prices for 0.18- and above micron processes have been raised, with Joanne Itow, an analyst at Semico Research warning that foundry prices may also rise for 0.13-micron processes.

However, sources at local IC design houses stated that lead times remain normal (1.5-2 months) and they did not see any signs of tight capacity on mature nodes. In fact, the sources commented that foundries are currently under pressure to cut prices on 0.18- and above nodes.

Some smaller scale IC design houses pointed out that they found it easier to place orders on mature process nodes at foundries this quarter, as compared to last quarter. Some design houses even predicted that capacity for mature processes should be sufficient for the next two years.

Pure-play foundry service providers admit growing competition on mature processes, with some foundries even offering discounts on photo mask production in order to preserve big customers, according to sources at the foundries.

A recent Merrill Lynch report suggested that foundry prices for 0.18- and 0.22-micron are unlikely to improve as orders for these segments mostly come from designers for lower-end products. Capacity should be abundant in the second half of this year due to aggressive ramps in 12-inch capacity, the report noted.

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