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Semico raises IC forecast for 2007

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SAN JOSE, Calif. — Semico Research Corp. is moving back towards the bull camp, as the market research firm on Wednesday (Sept. 6) raised its IC forecast for 2007.

During a conference here, Jim Feldhan, president of Semico (Phoenix), predicted that the semiconductor market will grow by 7 percent in 2007 over 2006. The market research firm reiterated its forecast for 2006, which calls for 11 percent growth for chips.

At least for a brief time, Semico was somewhat bearish. [Last month](#), the research firm downgraded its outlook and projected that the IC market would grow only 3.4 percent in 2007.

[In the beginning of the year](#), the market research firm projected that the IC market would grow 17 percent in 2006 and 20 percent in 2007.

In a brief interview, Feldhan said that the new IC forecast from the firm reflects stronger-than-expected growth for cellular phones and MP3 players.

On the whole, however, there are still some worrisome signs for 2007. Average selling prices (ASPs) for chips are projected to decline, Feldhan said.

Fab-capacity utilization is projected to fall as a slew of new fabs are coming online. The memory market is projected to be mixed next year, he said. [Recently](#), Feldhan outlined his concerns about the market in 2007.