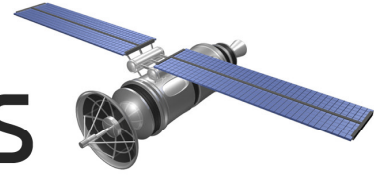


# FutureHorizons



The Global Semiconductor Industry Analysts

## **Future Horizons Monthly Newsletter**

**September/October  
2011**

## **Contents Page**

<b>Industry Overview</b>	<b>3</b>
<b>Industry News by Company</b>	<b>4 - 7</b>
<b>Industry News &amp; Trends</b>	<b>8 - 9</b>
<b>East European News &amp; Trends</b>	<b>10</b>
<b>World Economic Round Up</b>	<b>11</b>
<b>Future Horizons &amp; Industry Events</b>	<b>12</b>

## **Industry Overview**

June's data confirmed what was becoming intuitively obvious; the chip market hit rough seas reversing the first quarter's positive momentum. Overall IC unit sales were down 10.7 percent versus May – they always are down in the third month of the quarter but this was well below normal quarterly trends – and the, again normal, 'Month 3' ASP increase not enough to offset the unit fall. The net result was a 6.5 percent sequential fall in market value and a 2 percent decline in quarter on quarter total semiconductor sales. With all of the other industry indicators in good health, to (mis) quote Ex President Clinton "It's the economy stupid". The chip market needs a healthy economy to flourish; the near-term economy has clearly now taken a big turn for the worse ... the chip market will now tank.

*A full market summary and industry capacity round up can be found each month in our [Semiconductor Monthly report](#).*

## **Industry News By Company**

### **[Google Buys Motorola Mobile Phone Unit](#)**

Google has made its largest and boldest acquisition yet with the \$12.5bn purchase of Motorola's mobile-phone division, a deal the search company hopes will bolster its Android smartphone system.

The acquisition will put Google and Apple head-to-head in the battle for dominance in the fast-growing smartphone market, as the companies will control both the hardware and software of their products

### **[The iPad 2 Effects PC Industry And Related Industries](#)**

The iPad 2, fast and light, can be quite qualified for a new electronic, and it is also a very good option for both old people and children or those who are not comfortable with advanced technology. Such an iPad has potential to change the market patterns and force a massive reboot in the PC industry, including its promoting the change from a mouse user interface to a multi-touch one. Its '5Cs' mark a distinction from PC and previous tablets, including consumption, content, connected, constant operation and commerce.

### **[IBM Launches Innovation Lab](#)**

IBM has announced the creation of the Services Innovation Lab (SIL), a new global lab that will initially comprise about 200 technology experts hand-picked from around the company.

The SIL will operate out of IBM Research's Labs worldwide, including New York, California, China, Israel, India, Japan, Switzerland and Brazil, according to a report in Trade Arabia, according to a report in Trade Arabia.

### **[IBM Work With World's Thinnest Material Seen Creating Faster PCs](#)**

A one-atom-thick layer of carbon may one day help International Business Machines Corp. (IBM) and the U.S. military build more precise radar and computers that operate at near the speed of light.

Physicists Konstantin Novoselov, 36, and Andre Geim, 52, at the University of Manchester in the U.K., have found a way to manipulate how graphene, the thinnest and toughest material ever produced, conducts electricity, a breakthrough that opens the door to its use in digital electronics.

### **[Is Intel About To Get Hit By A BRIC?](#)**

Last month, Intel (NAS: INTC) cited emerging markets as a key reason for its better-than-expected earnings and outlook. According to management, market researchers IDC and Gartner undercount emerging-market PC sales. That's understandable: Unbranded PCs garner greater market share in emerging markets.

Intel also said Brazil -- the "B" in the popular BRIC acronym -- is on track to become the third-largest PC market. With growth slowing in China, could Brazil be the engine that keeps the PC market -- and Intel -- going?

### **[iPad Revives China's Portable Electronics Industry](#)**

ARM-based systems and the Android open-source OS are helping netbook and PMP suppliers to capitalize on the iPad's popularity. The latest tablet PCs from China have resistive touchscreens and 720 or 1080p playback.

Apple's iPad is reshaping and energizing the netbook and portable media player industries in China.

### **[MagnaChip And Peregrine Announce Volume Ramp Of STeP5 UltraCMOS RF Switch Products](#)**

MagnaChip Semiconductor Corporation, a Korea-based designer and manufacturer of analog and mixed-signal semiconductor products, and Peregrine Semiconductor Corporation, a fables provider of high-performance radio-frequency (RF) integrated circuits (ICs), recently announced that MagnaChip has ramped to mass production of Peregrine's RF switch products utilizing the latest generation "STeP5" UltraCMOS SOS (Silicon-On-Sapphire) technology.

### **[Mentor CEO Rhines Fears Foundry Oversupply](#)**

BANGALORE, India—While global semiconductor revenue is projected to expand by 7.2 percent in 2011, Walden Rhines, chairman and CEO of EDA vendor Mentor Graphics Corp., sounds a note of caution about maintaining this growth in 2012.

IHS iSuppli's newly revised forecast calls for global semiconductor revenue to rise to \$325.9 billion in 2011, up from \$304.1 billion last year. The firm's previous outlook, issued in April, projected that chip revenue would rise by 7 percent this year.

### **[National Semiconductor Introduces 16-Bit Digital-To-Analog Converter](#)**

National Semiconductor Corp has introduced a 16-bit digital-to-analog converter, or DAC, featuring a single-wire interface and 4-to-20 mA current loop drive that simplifies the design of smart transmitters used in industrial two-wire sensor systems.

The integrated DAC161P997 reduces component count and cost in factory and building automation control systems by enabling the use of a single isolation component to cross the isolation boundary. For sensing and detecting applications where galvanic isolation is not required, National's DAC161P997 interfaces directly to a microcontroller.

### **[Nokia Still Top Smartphone Maker](#)**

Nokia Corp. held on to its position as the leading smartphone maker in the second quarter, industry research firm Gartner said Thursday, but the Finnish handset maker's time in the pole position may be running out.

Gartner, which counts sales of mobile handsets to end users, said Nokia sold a total of 23.9 million smartphones based on its Symbian operating system in the second quarter, as its market share fell to 22% from 41%.

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### **SMIC Appoints New Chief Executive**

Semiconductor Manufacturing International, China's largest chipmaker by revenues, has appointed a new chief executive, in an effort to end a management upheaval which has threatened to derail a turnaround at the struggling company.

SMIC said on Friday it had appointed Chiu Tzu-yu, who has worked as president and chief executive of Shanghai Huahong NEC Electronics, a smaller rival, as its new chief executive.

The new chief's background at Huahong is set to give rise to new expectations of consolidation in China's weak chip manufacturing industry.

### **Sony And Samsung Join Industry Group Working On Universal Full HD 3D Glasses.**

Samsung Electronics and Sony Corp. have joined a group of consumer electronics companies led by Panasonic and X6D (Xpand 3D) that are working on universal stereo-3D (S3D) glasses for S3D-capable HDTVs and monitors. The new glasses, which will work with a wide range of output devices will become available in 2012.

Previously known as M-3DI, the new technology provides a communication protocol between S3D active-shutter glasses products and 3D-capable TVs, front projectors, computers and cinema systems (Xpand-compatible theaters). The technology will let consumers enjoy the S3D experience across all types of compatible S3D displays as well as at movie theaters, with a single pair of 3D active-shutter eyewear. The M-3DI standard will also assure consumers of comprehensive quality control in the creation of their 3D eyewear; Participants in the standard-making will publish the specification of the standard and will organize quality control testing and approval procedures. The new universal protocol that will be used for communications between S3D glasses and output devices will use radio frequency/Bluetooth technology.

### **Spreadtrum Paid \$1 Million For Telegent**

Spreadtrum Communications Inc., a leading Chinese fabless chip company, has disclosed that it has paid \$1 million to acquire Telegent Systems Inc., a developer of mobile television receiver chips, net of cash that Telegent was holding.

The exact size of Telegent's cash pile is not known but it was reported to have been holding many tens of millions of dollars in the months preceding the sale to Spreadtrum.

### **Toshiba To Halve Product Portfolio**

According to the Nikkei newspaper, Toshiba is to halve its chip product portfolio between now and the end of March, cutting out some 3,000 products.

The company's SOC business is making losses and the company is intending to reduce this side of the business. It is also looking at cutting its analogue and microcontroller portfolios and its automotive IC product line.

### TSMC Begins Apple A6 Chip Trial Runs

Taiwan Semiconductor Manufacturing Co. has reportedly started trial runs producing Apple's next-generation A6 chip, a report from Taiwan Economic News has revealed.

TSMC has began trial runs producing Apple's next-generation A6 applications processor.

According to the news published last Friday, TSMC "has allegedly started trial production of the A6 processor in cooperation with Apple Inc."

## **Industry News & Trends**

### **Asia Driving Near-Term Adoption Of LED Lighting**

“While we continue to see steady and positive proliferation of LED lighting products, key price points could trigger real commercial demand, and Korea, Japan and China have the solutions,” says The Information Network in its report ‘Niche Markets and Strategies for Small/Mid-size Semiconductor Equipment Companies’.

The rapid increase in the market for LEDs used in applications such as notebook backlights and automobile headlights is spurring heavy capital investments by LED makers, says the market research firm. LEDs are hence creating a niche market for conventional suppliers of semiconductor processing tools and a lucrative market for suppliers of metal-organic chemical vapor deposition (MOCVD) reactors.

### **Booming Consumer Electronics Market in India**

The Indian consumer electronics industry has been growing at a double-digit growth rate since past few years. Higher disposable income, increased product awareness, affordable pricing, and shift in lifestyles have together been instrumental in changing the amount and pattern of consumer spending; thereby, resulting in strong growth in the consumer electronics industry. But still, the consumer electronics goods, like refrigerators, televisions and air conditioners, have low penetration in the country, leaving vast room for future growth.

### **Indian Firms On Radar Of \$300m Intel Fund**

Intel Capital, the \$10 billion global investment organisation of the largest semiconductor chip---maker, is scouting for Indian companies that are developing hardware and software technologies to enhance people’s interaction with ultrabooks, a new class of computing device that marries the performance and capabilities of laptops with tablet-like features.

### **Slashing The Cost of Smart Chips**

Near Field Communications is set to be The Next Big Thing, or at least one of the next big things. However getting it into devices is not that cheap.

However the specialist Near Field Communications reports on a U.K. start up that is hoping to slash the cost of NFC tags to cheaper than 5¢, opening them up to a much wider array of uses.

### **New Device Exposes Explosive Vapors**

Decades after the bullets have stopped flying, wars can leave behind a lingering danger: landmines that maim civilians and render land unusable for agriculture. Minefields are a humanitarian disaster throughout the world, and now researchers in Scotland have designed a new device that could more reliably sense explosives, helping workers to identify and deactivate unexploded mines. The prototype sensor features a thin film of polymer whose many electrons jump into higher energy levels when exposed to light. If left alone, the electrons would eventually fall back down, re-emitting light. When the 'excited' polymer is exposed to the electron-deficient molecules that are common to many explosives, however, the molecules steal some of the polymer's electrons, and so quench the light emission.

### **Global Demand For Robotics To Surpass \$30 Billion In 2016**

Global demand for robotics will reach \$21.8 billion in 2011. That value is projected to reach \$30.1 billion in 2016, after increasing at a five-year compound annual growth rate (CAGR) of 6.7%. The global robotics market can be broken down into four regions that account for the sale of virtually all robots – Asia, North America, the European Union, and other markets.

Kirkland, Canada, August 18, 2011 --(PR.com)-- Electronics.ca Publications, the electronics industry market research and knowledge network, announces the availability of a new report entitled "Robotics: Technologies and Global Markets".

### **Auto Suppliers Race To Cash In On New Fuel-Economy Standards**

With the introduction of new federal fuel-economy standards that will require automakers to double vehicles' average fuel efficiency by 2025, automotive suppliers are racing to win the contracts for the next generation of components.

Advanced batteries and electric cars get most of the attention, but the technology needed to reach the new fuel targets is more sweeping and will show up long before 2025.

### **LCD Polarizers To Double As Organic Photovoltaics In Mobiles**

Researchers at the UCLA Henry Samueli School of Engineering and Applied Science have created a novel concept for harvesting and recycling energy for electronic devices, one that involves equipping these devices' LCD screens with built-in photovoltaic polarizers, allowing them to convert ambient light, sunlight and their own backlight into electricity.

### **Airliners' PED Tolerance Improving With Latest Guidance**

Using personal electronic devices during all phases of flight will be technically feasible in the future as modern aircraft are being designed to be tolerant to such devices, including transmitting PEDs.

However, airlines may continue to disallow the practice during takeoff and landing for operational reasons.

## **East European News & Trends**

### **[Startupweek To Turn Spotlight On Central And Eastern Europe](#)**

North Americans enjoy a plethora of startups-meet-VC's type of events. Likewise, Western Europe enjoys its fair share of great startups and investors in the same room, but what about another blossoming hotbed of activity, mainly the Central and Eastern Europe (CEE) region? Until now, your options were rather limited, with long haul flights and mediocre hotel food on the menu. However, if organizers from StartupWeek have anything to say about it, the traditional East-meets-West city of Vienna, Austria will become the focal hub for CEE region entrepreneurs and Venture Capitalists alike.

### **[The Future of R&D in Poland](#)**

There has been a big drive from the Polish government in recent years to support research and development, but the country nevertheless has a long way to go before it catches up with the West.

With expenditure on R&D amounting to only 0.67 percent of GDP in 2009, Poland still has one of the lowest levels of investment spending in the EU, according to a report in Warsaw Business Journal.

### **[Paypal To Launch Business In Russia](#)**

Online payment company PayPal plans to start business in Russia with a \$25 million investment and open its first office in Moscow soon, a media report said Wednesday.

There are rumours that this fall, the five largest Internet companies will search for key employees in Russia,' head of Pruffi recruitment agency Alyona Vladimirskaia said on her Facebook page, mentioning PayPal and eBay, its parent company.

### **[Welcome To Russia's Silicon Valley](#)**

When a group of 15 Russian entrepreneurs were recently welcomed as the newest members of Moscow's Skolkovo innovation hub, they would have been forgiven for thinking they had accidentally ended up as contestants on a game show.

At a promotional event in July, long-legged models were on hand to present the entrepreneurs with prizes, while pop music muffled their acceptance speeches and explanations of their projects.

## **World Economic Round Up**

Over the last 12 months, U.S and Western European markets have outperformed the overheated BRICs. Germany is up 29 percent and the US 23 percent. The UK returned 19 percent which was way ahead of China, India and Brazil. Russia on the other hand, has beaten them all by returning 34 percent. Only Indonesia, Korea and Thailand have bettered this figure.

UK, Russian and Australian manufacturing shrank last month, while the pace of factory growth slowed in Europe and China

*The latest economic news by country to include USA, Europe, UK, Japan, China, Asia Pacific and India can be found each month in our [Semiconductor Monthly Report](#).*

## Industry Events

### Future Horizons Events

- [Industry Forecast Briefing](#), London – 24<sup>th</sup> January 2012

*To book your place on any of our events please contact us on:*

**Telephone: +44 1732 740440**

**Email: [mail@futurehorizons.com](mailto:mail@futurehorizons.com)**

[Download Future Horizons Full Events Calendar Here](#)

## Industry Events

- [2011 IEEE Compound Semiconductor IC Symposium](#) 16-19 October
- [Solar Power International](#) – 17-20 October

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