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Presents

The Global Semiconductor Monthly Report January 2008

**Economy, ASP, Demand, Capacity ...
Core Trends All Good ... Confidence Bad**

In This Issue:

Executive Overview	1
Market Summary	7
Cowan LRA Report.....	12
Industry Capacity	16
World Economic Round Up.....	24
Russia/CIS – Whay Next Now For Russia.....	28
Economic Case Study – Global Money Honey Pots	30
Market Trends – WiMAX Rolling Out.....	33
Semiconductor Spotlight – Year Of The LED	37

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The Global Semiconductor Monthly Report

January 2008

A CEO favourite, the **Global Semiconductor Monthly Report** provides **analysis and commentary** on the **global semiconductor industry** and its **impact** on Future Horizons' **semiconductor market forecast**, as published in the **Annual Semiconductor / Semiconductor Application Markets** (previously called Key Market Drivers) **Reports**. These three reports provide a comprehensive in-depth analysis of the worldwide semiconductor, electronics equipment and economic environment. Together they provide the latest information on developments in the semiconductor industry, the companies involved, the changes in the markets, and the impact of the global economic and political situation.

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The Global Semiconductor Industry Analysts

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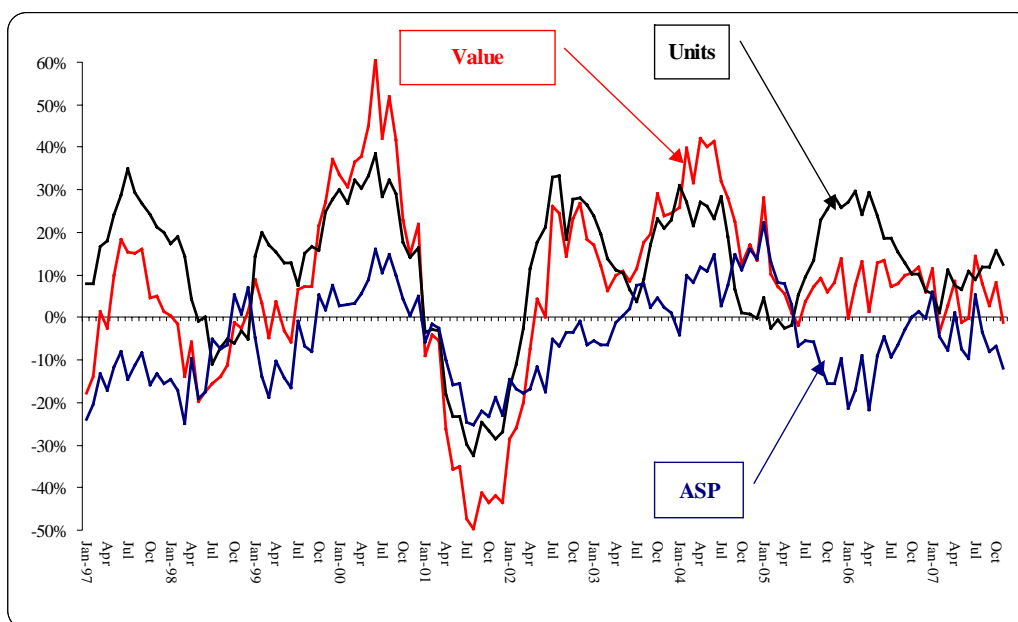
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Executive Overview

Figure E1 shows the 12/12 worldwide monthly growth rates for IC sales in dollars, units and ASP for January 1997 to November 2007 inclusive. They need to be looked at in conjunction with the other 12/12 and rolling 12-month charts provided in the **Market Summary** section of this report.

November's report came in without any surprises – once the US\$1.4 billion clerical error in the reported IC revenues was corrected – setting the seal on what promises to be a flat Q4 versus Q3. On the face of it, this was not an impressive end to the year, but compared with the first half of 2007 it was decidedly good. Crucially, IC units were up 12.5 percent versus November 2006, a growth that was all but wiped out by the corresponding 12.1 percent fall in ASPs. Value growth crawled in at a paltry minus 1.1 percent year-on-year basis, up 2.0 percent on October 2007. Growth for 2007 is now sealed at around 3.6 percent. Clearly the underlying market growth (in units) was there ... shame about the price wars and their impact on ASPs and market value.

Figure E1 - 12/12 Worldwide IC Monthly Growth Rates



Total IC	Units	ASP	Value
Nov 2007 vs Nov 2006	12.5%	-12.1%	-1.1%
Nov 2007 vs Oct 2007	-0.9%	2.8%	2.0%

Source: WSTS/Future Horizons (Growth rates adjusted for 5-week months)

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Entering 2008, chip forecasts and opinions are all over the map, ranging from zero negative growth and double-digit positive, with a clustering of forecasts in the 'safe' 6 to 8 percent region. Views on the state of the global economy – and its potential impact on the chip market – are even more widely spread, with the US-centric pundits torn by the obvious recession risk problems in their home market and the optimism of a US Presidential election year and the Olympic Games.

Our view is that **Want To Read More?**

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Plus The Latest Market Forecasts From Future Horizons

Future Horizons is pleased to announce that its 17th Annual International Electronics Forum (IEF2008) will take place from May 7-9, 2008 at the Madinat Jumeirah, Dubai, UAE - <http://www.madinatjumeirah.com/> - under the auspices of the Dubai Silicon Oasis Authority. Mark your calendar NOW and visit our website at http://www.futurehorizons.com/new_web/forums/ieforum/ieforum.htm for details.

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January 2008

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- ❑ Annual Semiconductor Report
- ❑ Semiconductor Application Markets Report
- ❑ European Fabless Semiconductor Report (Optional Database)
- ❑ European Semiconductor Wafer Fabrication Capacity (Optional Database)
- ❑ Russian Electronics Industry Report
- ❑ Russia & The Other Countries Of The Former USSR IC Manual
- ❑ East European Semiconductor Report

Summary Of Key Reports

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Global Semiconductor Update Report (Published Monthly)

A CEO favourite, this report is all a busy executive needs to keep in touch with industry trends. E-mailed monthly, the report provides a useful industry momentum indicator by compiling 12-monthly rolling charts for Units, Average Selling Prices (ASP) and Revenues broken down by total SC, IC, Optoelectronics and Discretes. Also included is a review of the world economy, broken out by region, plus a monthly feature on a key semiconductor market driver. The link between the economy and the semiconductor industry is not perfect but by measuring and understanding the impact of wafer fab capacity on lead-times and prices, and by monitoring the level of system OEM, distribution and semiconductor company inventory, more sense can be made of this fundamentally unstable industry. The report focus is on in-depth analysis and the underlying industry trends.

Annual Semiconductor Report

This report provides market analyses and forecasts of the worldwide and European semiconductor market, the Electronics Key Application Markets, and the Global Economic Environment yet available. The report analyses the European semiconductor market by product, end-user market, and geographic country/region. The report covers a give year period of historical data, together with a five year forecast.

Semiconductor Application Markets Report

The Semiconductor Application Markets Report. Individual application reports describe how each application works, the technology used, the unit sales history and forecast, the semiconductor content and the associated semiconductor market size. This vital research resource volume is a proven industry favourite. Individual applications are now available to purchase on a stand-alone basis, making it easier and more cost effective to choose applications that are directly relevant to you.

European Fabless Semiconductor Report

This report covers the European and Israeli chipless, fabless and independent IC design house community, and is essential for those planning the resources of subcontracting new product design, both in the semiconductor industry and the final system end product. It will also prove invaluable for authorities and government departments, planning and directing economic growth, as well as companies seeking investments, potential partners or acquisitions. As an added user benefit, the 280 strong chipless and fabless IC design house company database is available in Excel format as an optional CD extra, with both pre-organised sorts (by country, design skill and application) and in raw data format allowing customised searches and analyses. Please note this optional CD is NOT available separately. This best-selling report has a proven track record as an invaluable research resource.

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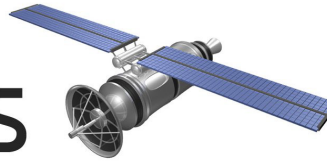
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Jan	27th – Industry Forecast Semiconductor Industry Briefing, Geneva Annual analysis & forecast of the European & WW semiconductor market plus B2B Speed Networking (optional)
Mar	15th – Silicon Chip Industry Training Seminar, London Presented in layman's terms, this seminar provides a complete overview of the integrated circuit industry, its background, technology, manufacture & markets
Mar	16th – IC Economics Industry Training Seminar, London This seminar reviews the economics of the IC manufacturing industry, covering factory costs, yields, die size trends, process defects, and industry cost models
May	5-7th – International Electronics 2010 Forum IEF2009 - 19 th Annual International Electronics Industry Forum. An international forum to update market forecasts, develop new business opportunities, meet new contacts, share experiences, explore ideas, and refine strategic thinking
Jun	7th – Silicon Chip Industry Training Seminar, London Presented in layman's terms, this seminar provides a complete overview of the integrated circuit industry, its background, technology, manufacture & markets
Jun	8th – IC Economics Industry Training Seminar, London This seminar reviews the economics of the IC manufacturing industry, covering factory costs, yields, die size trends, process defects, and industry cost models
Jul	20th – Industry Forecast Semiconductor Industry Briefing –Mid-Term Update, London Annual analysis & forecast of the European & WW semiconductor market plus B2B Speed Networking (optional)
Sep	6th – Silicon Chip Industry Training Seminar, London Presented in layman's term, this seminar provides a complete overview of the integrated circuit industry, its background, technology, manufacture & markets
Sep	7th – IC Economics Industry Training Seminar, London This seminar reviews the economics of the IC manufacturing industry, covering factory costs, yields, die size trends, process defects, and industry cost models
Nov	22nd - Silicon Chip Industry Training Seminar, London Presented in layman's term, this seminar provides a complete overview of the integrated circuit industry, its background, technology, manufacture & markets
Nov	23rd – IC Economics Industry Training Seminar, London This seminar reviews the economics of the IC manufacturing industry, covering factory costs, yields, die size trends, process defects, and industry cost models

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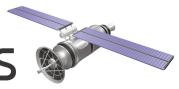
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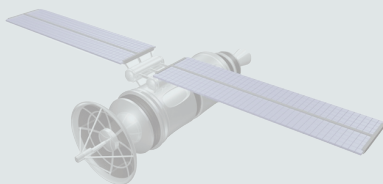
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Malcolm Penn is the founder and CEO of Future Horizons, with over 45 years experience in the electronics and semiconductor industry. He has worked extensively throughout Europe as well as in the United States, the former USSR, Japan and Korea, and was an early pioneer of pan-European research and product development collaboration in the 1970s during his tenure with ITT Europe. His industrial experience has involved him with all aspects of the management, manufacturing, marketing and use of electronic components, particularly semiconductor devices.

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