



**FOR IMMEDIATE RELEASE**

**News Release**

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## **AUTOMOTIVE SEMICONDUCTOR MARKET FORECAST TO RECOVER IN 2010**

**London, England; January 12 2010; Findings from the Semicast report “Automotive Market for Semiconductors” show recovery for the automotive semiconductor market in 2010 and steady growth for much of the decade ahead, with sales forecast to rise to over \$35 billion in 2017.**

The automotive semiconductor market is estimated to have fallen by 17 percent in 2009 to \$15.8 billion, the largest ever one year revenue decline. Historically, semiconductor sales into the automotive sector have increased with remarkable consistency, with only a minor fall in 2001, a year in which the total semiconductor market declined by close to 35 percent. Automotive semiconductor sales peaked in 2007 at \$20.0 billion, but fell in both 2008 and 2009 to a level now twenty percent below the peak. However Semicast forecasts an end to the decline, with sales rising in 2010 and steady growth projected for the medium term.

The decline in the automotive semiconductor market over the last two years can be directly attributed to a fall in light vehicle production. Global production also peaked in 2007, at around 67 million, but fell to just 54 million in 2009. Global production is forecast to recover to 61 million in 2010, with strong growth in China, India and Brazil, stabilization in Europe and Japan and recovery in North America. Global light vehicle production is forecast to rise steadily over the medium term, to around 85 million in 2017; over this period, China is forecast to emerge as a key player, with production in China projected to exceed Japan in 2012 and North America in 2016. As global light vehicle production recovers, so too will automotive semiconductor sales. Semicast forecasts growth in the automotive semiconductor market of 16 percent in 2010, with sales rising to \$18.4 billion. While still below the peak of 2007, double digit growth will bring welcome relief to many semiconductor vendors.

A key factor which is forecast to bring sustained recovery to the automotive semiconductor market is the continued pervasion of electronics into almost all of the main systems in the vehicle. Colin Barnden, Principal Analyst at Semicast Research and study author, commented “Automakers remain committed to the adoption of intelligent electronics which make their vehicles more environmentally friendly and safer to drive, while adding increasingly sophisticated entertainment and navigation systems, as well as mobile connectivity”.

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It is clear that the ability of automakers to comply with ever more stringent safety and environmental legislation and to satisfy the increasing expectations of the driver and passengers is wholly dependent on ever increasing use of semiconductors. As a result, as confidence grows and consumers return to buying new cars, so the automotive semiconductor market will revert to steady growth.

## Notes for Editors

1. Semicast has a strategic focus on the automotive sector and provides on-going research services to the global industry. Its Automotive Electronics & Entertainment Systems Service (AEES) has been developed specifically to aid automakers, Tier 1 vendors and semiconductor and software suppliers to understand on-going trends for the key automotive “under-the-hood” electronics and entertainment systems in light vehicles and to rationalize that demand to long term forecasts for system volumes, electronics value and semiconductor TAM.
2. Semicast is always willing to work with journalists to provide quotations, opinions and market information for articles. If you require further information, please contact us at [press\[at\]semicast.net](mailto:press@semicast.net)
3. Semicast is a respected provider of independent market research on the semiconductor and electronics industry. It specializes in coverage of new and emerging applications including industrial semiconductors, wireless semiconductors, automotive electronics, telematics/infotainment, digital consumer convergence and embedded processing.

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