



**FOR IMMEDIATE RELEASE**

**News Release**

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## **INDUSTRIAL SEMICONDUCTOR MARKET FORECAST TO GROW TO USD 55 BILLION IN 2017**

**London, England; September 13, 2012; Findings from the recent Semicast study “Industrial & Medical Semiconductor Service — 2012 Edition” show revenues for semiconductors in the industrial sector are forecast to grow from USD 32.4 billion in 2011 to USD 55.2 billion in 2017, a CAGR of 9.3 per cent.**

The industrial sector is frequently dismissed as being too complex and too diverse to be worth targeting, with senior management often focused on easier, quicker and more glamorous opportunities in the computer, consumer and communications sectors. With a varied application base, encompassing areas as unrelated as video surveillance, heart rate monitoring and agricultural machinery, this view is understandable, but in Semicast’s opinion, also short-sighted.

Compared to a total semiconductor market of around USD 300 billion, the industrial sector is estimated to have accounted for almost eleven per cent of the overall semiconductor TAM in 2011, a larger proportion than the automotive sector. Colin Barnden, Principal Analyst at Semicast Research and study author, commented “Cumulative industrial semiconductor demand over the period 2011 to 2017 is projected to total almost USD 300 billion, reinforcing the conclusion that opportunities in the industrial sector should not be overlooked by semiconductor suppliers”.

The leading opportunities for semiconductors in the industrial sector are summarized below.

- **Analog:** consisting of application specific analog ICs and general purpose analog, this was the largest product sector in 2011 and is forecast to offer the highest cumulative revenues from 2011 to 2017, of USD 80 billion. Analog could be viewed as the workhorse of the industrial semiconductor market, reflecting the need to accurately measure and digitize real world variables such as temperature, pressure, level and position, which is required in the majority of industrial applications. Typically, the need for high precision or high speed devices and specific requirements in an application makes customization of the analog functions inappropriate, so a substantial market for general purpose analog devices exists and is forecast to continue to grow strongly. The deployment of Bluetooth, NFC, RFID and other wireless communications protocols in the industrial sector is also driving strong growth for application specific analog ICs.

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- Discretes & Modules: consisting mainly of discretes and power modules, this represented the next largest product sector in 2011 and is forecast to offer cumulative revenues of USD 60 billion from 2011 to 2017. Key areas include lighting, motor control and power & energy systems.
- MCUs/embedded MPUs/DSPs: this product category is forecast to offer cumulative revenues of USD 40 billion from 2011 to 2017. Steady growth is forecast for 4/8-bit MCUs and DSPs, but the majority of revenue growth is forecast for 32-bit MCUs and embedded MPUs. The key battleground in the coming years will be over Windows 8, with Intel poised to be challenged by an ARM Armada consisting of competitors such as Atmel, Freescale, STMicroelectronics, Texas Instruments and Toshiba.
- Optoelectronics: consists of LEDs and other optoelectronics such as image sensors and couplers. The replacement of incandescent bulbs with LED lighting, and the opening up of new lighting markets previously closed to bulbs with chip LEDs, is forecast to drive revenues for optoelectronics for at least the next ten years. Strong demand for CCDs and image sensors is also forecast in applications such as machine vision and CCTV/video surveillance, while optocouplers continue to be in strong demand in the automation sector.

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### Notes for Editors

1. Semicast has a strategic focus on industrial/medical electronics and provides on-going research services to the global industry. Its Industrial/Medical Electronics & Semiconductors Service has been developed specifically for semiconductor and component suppliers to understand detailed trends for industrial and medical electronics equipment revenues, equipment manufacturer market shares and semiconductor trends.
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[at]semicast.net)
3. Semicast is a respected provider of independent market research on the semiconductor and electronics industry. It specializes in coverage of industrial and medical semiconductors, automotive electronics, telematics/infotainment, automotive semiconductors and embedded processing.