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TSMC Continues to Dominate the Worldwide Foundry Market

Top eight companies held 88% of global foundry market last year.

Research included in the recently released 50-page *April Update* to the 2018 edition of IC Insights' *McClean Report* shows that in 2017, the top eight major foundry leaders (i.e., sales of \geq \$1.0 billion) held 88% of the \$62.3 billion worldwide foundry market (Figure 1). The 2017 share was the same level as in 2016 and one point higher than the share the top eight foundries represented in 2015. With the barriers to entry (e.g., fab costs, access to leading edge technology, etc.) into the foundry business being so high and rising, IC Insights expects this "major" marketshare figure to remain at or near this elevated level in the future.

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TSMC, by far, was the leader with \$32.2 billion in sales last year. In fact, TSMC's 2017 sales were over 5x that of second-ranked GlobalFoundries and more than 10x the sales of the fifth-ranked foundry SMIC.

Major 2017 Foundries (Pure-Play and IDM)

2017 Rank	2016 Rank	Company	Foundry Type	Location	2015 Sales (\$M)	2016 Sales (\$M)	2016/2015 Change (%)	2017 Sales (\$M)	2017/2016 Change (%)
1	1	TSMC	Pure-Play	Taiwan	26,574	29,488	11%	32,163	9%
2	2	GlobalFoundries	Pure-Play	U.S.	5,019	5,495	9%	6,060	10%
3	3	UMC	Pure-Play	Taiwan	4,464	4,582	3%	4,898	7%
4	4	Samsung	IDM	South Korea	2,670	4,410	65%	4,600	4%
5	5	SMIC	Pure-Play	China	2,236	2,914	30%	3,101	6%
6	6	Powerchip	Pure-Play	Taiwan	1,268	1,275	1%	1,498	17%
7	8	Huahong Group*	Pure-Play	China	971	1,184	22%	1,395	18%
8	7	TowerJazz	Pure-Play	Israel	961	1,250	30%	1,388	11%
—	—	Top 8 Total	—	—	44,163	50,598	15%	55,103	9%
—	—	Top 8 Share	—	—	87%	88%	—	88%	—
—	—	Other Foundry	—	—	6,597	7,112	8%	7,207	1%
—	—	Total Foundry	—	—	50,760	57,710	14%	62,310	8%

*Includes Huahong Grace and Shanghai Huaili.

Source: IC Insights, company reports

Figure 1

China-based Huahong Group, which includes Huahong Grace and Shanghai Huali, displayed the highest growth rate of the major foundries last year with an 18% jump. Overall, 2017 was a good year for many of the major foundries with four of the eight registering double-digit sales increases.

Of the eight major foundries, six of them are headquartered in the Asia-Pacific region. As shown, Samsung was the only IDM foundry in the ranking. IBM, a former major IDM foundry, was acquired by GlobalFoundries in mid-2015 while IDM foundries Fujitsu and Intel fell short of the \$1.0 billion sales threshold last year. Although growing only 4% last year, Samsung easily remained the largest IDM foundry in 2017, with over 5x the foundry sales of Fujitsu, the second-largest IDM foundry.

Report Details: *The 2018 McClean Report*

Additional details on sales rankings for the top 50 semiconductor, top 50 IC, and leading IC suppliers by product type (e.g., DRAM, flash memory, MPUs, MCUs, etc.) are provided in the 50-page *April Update to The McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry*. A subscription to *The McClean Report* includes **free** monthly updates from March through November (including a 250+ page *Mid-Year Update*), and **free** access to subscriber-only webinars throughout the year. An individual-user license to the 2018 edition of *The McClean Report* is priced at \$4,290 and includes an Internet access password. A multi-user worldwide corporate license is available for \$7,290.

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