

**MARCH 6, 2012**

## **U.S. Presidential Election Years Influence Semiconductor Market**

*Double-digit semiconductor growth in 8 of 10 past U.S. Presidential election years*

Over the past several years, the world has witnessed bloviating U.S. political leaders butting heads and verbally sparring with each other. Just when you begin to believe that pontificating representatives are unable to work together to resolve differences on significant issues, along comes an election year and it seems “leaders” put aside many of their differences. The year 2012 is an election year for the U.S. president and numerous Congressmen and women. Historically, U.S. presidential election years have been very good for the semiconductor market as many elected officials attempt to pass (mostly short-term) legislation to boost the economy in order to look good in the eyes of voters and stand a better chance of getting re-elected.

### **MORE INFORMATION CONTACT**

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Figure 1 shows that over the past 10 U.S. election years dating back to 1972, worldwide GDP growth averaged 4.0% while semiconductor industry growth has averaged 24%! In fact, the semiconductor industry has increased 10% or better in 8 of the past 10 U.S. election years. The two election years when the semiconductor industry did not grow 10% or better (1996 and 2008), it registered single-digit *declines*. For 2012, IC Insights is forecasting 3.4% WW GDP growth and single-digit (7%) semiconductor market growth.

The election-year uptick is one of the reasons IC Insights has identified 2013 as a possible slow year in the semiconductor industry. Over the past 10 *post*-U.S.-election years, worldwide GDP growth averaged 3.1% while worldwide semiconductor industry growth averaged only 4%. Moreover, worldwide semiconductor industry growth exceeded 8% in only three of these 10 post-election years (1973, 1977, and 1993).

Oftentimes the problem with post-election years is that many of the subsidies and stimulus measures enacted during an election year are withdrawn or allowed to expire after the election is over. For example, in the U.S., payroll tax cuts and unemployment benefits were extended through the end of 2012 (through the elections), but IC Insights does not expect these measures to be in place in the post-election year of 2013. Because of this, the U.S. economy is forecast to lose some momentum in 2013 before

picking up speed again in 2014. It is worth noting that presidential elections will also be held in Russia, South Korea, Taiwan, China, and France this year, giving politicians in these countries additional incentive to boost their economies in 2012.

## WW GDP and WW Semiconductor Industry Growth in U.S. Election Years

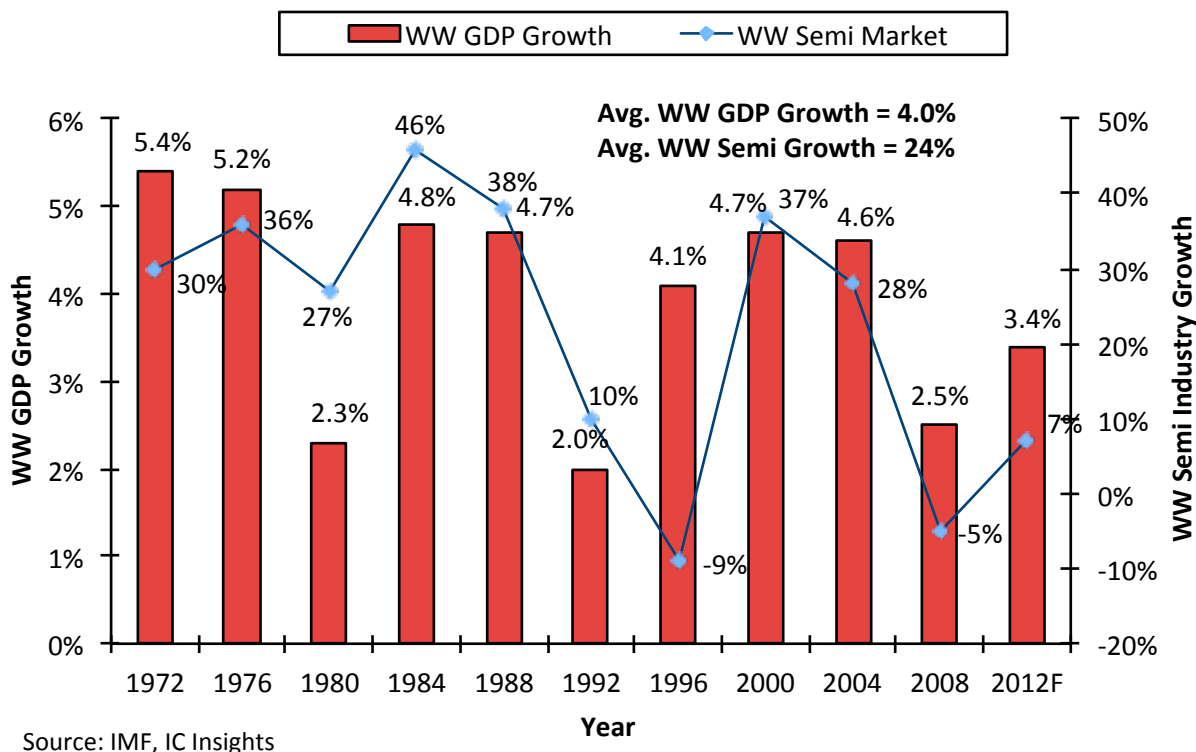


Figure 1

### Report Details

Additional details of the global economic picture and its impact on the 2012 semiconductor market can be found in the 2012 edition of *The McClean Report*, IC Insights' complete market analysis and forecast of the IC industry. Packed with more than 400 tables and graphs, *The McClean Report* subscription includes free monthly updates by e-mail from March through November (including a 250+ page *Mid-Year Report*). A single-user subscription to the 2012 edition of *The McClean Report* is priced at \$3,290 and includes an Internet access password. A multi-user worldwide corporate license is available for \$6,290.

#### About IC Insights

IC Insights, Inc., based in Scottsdale, Arizona USA, is dedicated to providing high-quality, cost-effective market research for the semiconductor industry. Founded in 1997, IC Insights offers coverage of global economic trends, the semiconductor market forecast, capital spending and fab capacity trends, product market details, and technology trends, as well as complete IC company profiles and evaluations of end-use applications driving demand for ICs.

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