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Contact: Bill McClean, President  
IC Insights, Inc.  
Phone: 480-348-1133  
Email: bill@icinsights.com

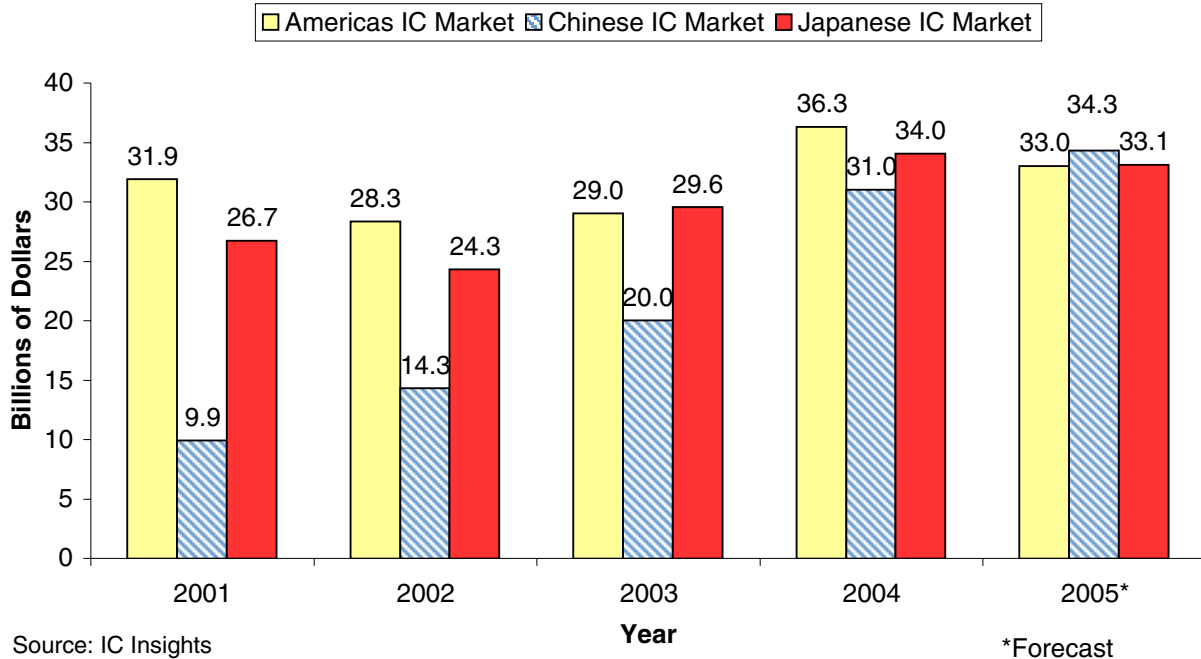
**China to Become Worldwide IC Market Leader in 2005**

IC Insights' *McClean Report 2005* details major shifts in regional IC consumption patterns.

**Scottsdale, Arizona – January 6, 2005** – China's IC market is forecast to grow 11 percent to \$34.3 billion in 2005 (Figure 1), making it the largest regional IC market in the world according to information in IC Insights' new *McClean Report 2005*. Although the 11 percent increase would be well below China's recent annual IC market growth rates, it is still much greater than the -2 percent decline forecast for the worldwide IC industry this year.

From 2001 through 2004, the Chinese IC market registered a compound annual growth rate (CAGR) of 46 percent as compared to a 14 percent CAGR for the Americas IC market during this same timeperiod. In 2005, China is forecast to represent 20 percent of the world's \$175.4 billion in IC consumption, up from 8 percent in 2001. Amazingly, as recently as 2001, the Americas IC market was more than three times the size of China's IC market.

**China to Become the Largest IC Market in 2005**



**Figure 1**

IC Insights believes that a very clear distinction should be made between the IC market in China and indigenous IC *production* in China. Although China is forecast to be the largest market (i.e., consuming country) for ICs beginning in 2005, it does not necessarily mean that huge amounts of IC *production* in China will immediately follow.

Overall, the growth rate of China-based IC production is likely to be very strong through 2010. However, considering that China-based IC production was only about \$2.4 billion in 2004, this growth will come off a relatively small base.

IC Insights forecasts that China-based IC production will rise to \$14.5 billion in 2010. It should be noted that even after such meteoric growth, China-based IC production would still represent only 5 percent of the total forecasted worldwide IC production in 2010! Moreover, the \$14.5 billion worth of local Chinese IC production would be only about 15 percent the size of the \$95 billion Chinese IC market forecast for 2010.

IC Insights' new *McClean Report 2005* contains 700 pages and covers numerous aspects of the IC industry including individual IC product markets (e.g., DRAMs, ASICs, etc.), IC capacity and capital spending trends, IC company rankings, as well as IC technology and packaging analyses. Single-user copies of the report (binder or CD-ROM) are only \$2,190, with company-wide use licenses also available.

### **About IC Insights**

IC Insights, Inc., based in Scottsdale, Arizona, is dedicated to providing high-quality, cost-effective market research for the integrated circuit industry. Founded in 1997, IC Insights offers coverage of global economic trends, IC market forecasts, capital spending and fab capacity trends, product market details, and technology trends, as well as complete IC company profiles and evaluations of emerging markets for ICs. For more information, contact 480-348-1133 or [info@icinsights.com](mailto:info@icinsights.com), or visit [www.icinsights.com](http://www.icinsights.com).