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## **Analog IC Market to Grow 15% in 2008 After Slipping 2% in 2007**

*Inventory corrections contribute to rare decline in application-specific analog segment*

After five consecutive years of growth, the analog IC market has temporarily lost its momentum in 2007 and is now expected to decline for the first time since the 2001 semiconductor recession. IC Insights' mid-year forecast shows analog integrated circuit sales slipping 2% to \$36.2 billion in 2007 from \$36.9 billion in 2006, when the market increased nearly 16%.

The slump will be brief, however. Analog integrated circuit sales are expected to rebound in 2008 with a 15% increase, which will push the market to a record-high \$41.7 billion next year, according to IC Insights' *2007 Mid-Year Update* report. Analog IC unit volumes are also forecast to hit record-high levels in 2008 with worldwide device shipments reaching 81.8

billion, up 13% from a projected 72.5 million units in 2007. Analog IC unit growth has slowed dramatically in 2007 with device shipments expected to rise just 4% compared to an annual average increase of 16% per year during the 2002-2006 timeframe. Analog units will account for about 49% of all ICs shipped in 2007, compared to 51% in 2006 and 50% in 2005.

Inventory corrections in portable electronic products—especially cellular phones—and price erosion have negatively impacted a number of key analog market segments that rarely see down years. For example, the application-specific analog IC segment is forecast to decline 6% in 2007 to \$22.1 billion. In the 2002-2006 period, application-specific analog sales increased at a cumulative average growth rate (CAGR) of 11% per year.

In the application-specific analog market, only the automotive and wired telecom segments are expected to grow in 2007 (up 24% and 5%, respectively), while declines are forecasted for wireless (-16%), industrial (-12%), consumer (-9%), and computer (-6%) device categories. In 2007, application-specific

### **MORE INFORMATION CONTACT**

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analog devices will account for about 61% of total analog IC sales, according to IC Insights' projections (Figure 1).

<b>2007 Analog Sales Forecast</b>		
<b>Standard Analog</b>	<b>Market (\$M)</b>	<b>% of Total</b>
Amplifiers	2,580	7.1%
Interface	2,105	5.8%
Voltage Reg. & Ref.	6,760	18.7%
Data Conversion	2,390	6.6%
Comparators	240	0.7%
<b>Total Standard Analog</b>	<b>14,075</b>	<b>38.9%</b>
<b>Application-Specific Analog</b>	<b>Market (\$M)</b>	<b>% of Total</b>
Consumer	3,275	9.1%
Computer	3,085	8.5%
Telecom	9,625	26.6%
Automotive	4,500	12.4%
Industrial/Other	1,615	4.5%
<b>Total Application-Specific Analog</b>	<b>22,100</b>	<b>61.1%</b>
<b>Total Analog Market</b>	<b>36,175</b>	<b>100.0%</b>

Source: WSTS, IC Insights

**Figure 1**

Meanwhile, standard analog IC sales are expected to grow just 4% to \$14.0 billion in 2007, after increasing at an annual average of 8% per year in the 2002-2006 period. In the standard analog segment, revenues for comparators are expected to drop 7% while voltage regulators and reference devices are forecast to decline 2%. The forecast shows sales growth in 2007 for data conversion devices (+19%), amplifiers (+7%), and interface ICs (+9%).

During the 2007-2011 forecast period, total analog IC revenues are expected to grow at a CAGR of 6.2% per year, reaching \$49.9 billion in 2011, according to IC Insights' *Mid-Year Update* report. Standard analog IC sales are forecast to reach \$18.2 billion in 2011, while application-specific analog revenues will total \$31.7 billion that same year.

## Report Details

IC Insights' *2007 Mid-Year Update to The McClean Report* is a 190-page updated market forecast report on the IC industry. It features analysis of all major integrated circuit market segments and global economic trends as well as revised projections on semiconductor capital spending and forecasts on IC

product revenues, unit volumes, and ASPs through 2011. For those not currently subscribing to *The McClean Report*, the *Mid-Year Update* is available for purchase for \$1,490. Additional copies are priced at \$395.

## Announcements

- IC Insights' annual *Fall Forecast Seminar* is scheduled for September 20, 2007 in Sunnyvale, California. At the seminar, IC Insights will provide a clear explanation of, and discuss the assumptions behind, its forecast for the balance of 2007 and beyond. Current clients pay just \$195 to attend (others pay \$295). Please visit <http://www.icinsights.com/events/fallforecast.html> for more information and a registration form.

### 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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