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Automotive Market Remains a Bright Spot for ICs in 2012

Higher gas prices supporting new car sales, IC sales benefit.

One of the silver linings to the automotive downturn in 2008 was that it initiated a massive and perhaps long overdue structural change in the auto industry. Many believe that has set the stage for new car sales to grow through the end of this decade.

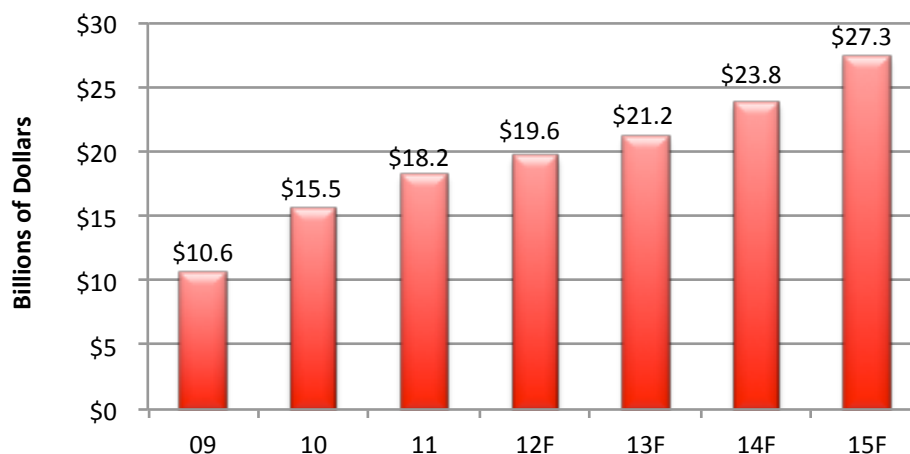
Automakers are now focused on providing user-friendly and relatively low-cost vehicles that also happen to be some of the most technologically advanced vehicles ever produced. In addition, automakers are shifting more production towards electric vehicles (EVs) and hybrid electric vehicles (HEVs) as "green" initiatives become more prevalent. Ironically, the \$4.00-per-gallon price of gasoline in the U.S. that contributed to Detroit's downfall in 2008 is supporting new car sales in 2012 as buyers return to showrooms to replace old guzzlers with new, fuel-efficient models.

MORE INFORMATION CONTACT

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IC Insights forecasts the automotive IC market will grow 8% to \$19.6 billion in 2012, up from \$18.2 billion in 2011. Furthermore, IC Insights forecasts the automotive IC market will grow to \$27.3 billion in 2015, which represents average annual growth of 11% from 2011-2015 (see Figure).

2009-2015 Automotive IC Market



Source: IC Insights

Semiconductor content per vehicle is forecast to increase to \$380 in 2012, an increase of 9% from \$350 in 2011. Semiconductor content per vehicle is expected to increase 11% annually between 2009 and 2015, reaching \$495 per vehicle at the end of the forecast period, which suggests that the “trickle-down effect” of technology into lower-priced cars will happen at a faster rate than expected a few years ago and that more “green” vehicles, including hybrids and electric automobiles, will be sold. Although hybrid-electric and electric vehicles (HEVs and EVs) currently account for less than 2% of total new vehicle shipments in the U.S. and around the world, the semiconductor content per vehicle is much greater in these vehicles. IC Insights forecasts that in 2015, full electric vehicles will contain about twice as much semiconductor content as compared to a standard car.

Report Details: 2012 IC Market Drivers

Additional details and a revised forecast for the automotive, cellphone, PC, wireless networking, and digital television markets can be found in IC Insights’ *Update* to its *2012 IC Market Drivers Report—A Study of Emerging and Major End-Use Applications Fueling Demand for Integrated Circuits*. The report examines many of the leading system applications for ICs and evaluates the potential growth for new applications that are expected to fuel the market for ICs through 2015. Price: \$3,090 for individual user; \$6,190 for multi-user corporate license. To review additional information about IC Insights’ new and existing market research products and services please visit our website: www.icinsights.com

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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