

OE Automotive Semiconductors to Grow to \$39 billion in 2017

Findings from the Semicast report "Automotive Market for Semiconductors - 2011 Edition" show sales of OE automotive semiconductors grew by almost twenty per cent in 2010, to USD20 billion. Steady growth is projected for much of the decade ahead, with sales forecast to almost double to USD39 billion in 2017.

The OE automotive semiconductor market fell by thirteen per cent in 2009 to USD16.6 billion, the largest ever one year revenue decline. This was somewhat of an anomaly, with semiconductor sales into the OE automotive sector having previously increased with remarkable consistency, recording a minor fall only in 2001 before declining in both 2008 and 2009. However Semicast is forecasting much more favorable times ahead, with sales recovering strongly in 2010 and steady growth projected over the medium term.

The reversal in fortunes of the OE automotive semiconductor market in 2010 can be directly attributed to strong growth in light vehicle production, particularly in China. Global production previously peaked in 2007 at around 67 million, but fell below 66 million in 2008 and then to just 57 million in 2009. Global production is judged to have exceeded the 67 million mark in 2010, with strong growth in the developing markets of Brazil, Russia, India and China and recovery also in the established markets of North America, Europe and Japan. Global light vehicle production is forecast to rise steadily over the medium term, to in excess of 90 million in 2017. Over this period, China is forecast to emerge as the leading player, with light vehicle production in China doubling from 10 million in 2009 to 20 million in 2017. As global light vehicle production rises, so too will demand for OE automotive semiconductors and Semicast forecasts the market will grow to USD39 billion in 2017.

Looking at the long term evolution of the OE automotive semiconductor market, it can be seen that the long term growth rate of eight per cent is greater than the long term growth rate for light vehicle production, which is estimated to be around three per cent. A key factor which is forecast to bring sustained recovery and growth to the automotive semiconductor market is the continued pervasion of electronics into almost all of the main systems in the vehicle. Colin Barnden, Principal Analyst at Semicast Research and study author, commented "Automakers remain committed to the adoption of intelligent electronics which make their vehicles more environmentally friendly and safer to drive, while adding increasingly sophisticated entertainment and navigation systems, as well as mobile connectivity".

It is apparent therefore that the ability of automakers to comply with ever more stringent safety and environmental legislation and to satisfy the increasing expectations of the driver and passengers is wholly dependent on ever increasing

OE Automotive Semiconductors to Grow to \$39 billion in 2017

Published on Electronic Component News (<http://www.ecnmag.com>)

use of semiconductors.

The source material for this news release is taken from the Semicast report "Automotive Market for Semiconductors - 2011 Edition". A copy of the study brochure can be viewed at:

<http://www.semicast.net/resources/Semicast+report+brochure+Automotive+Market+for+Semiconductors+2011.pdf> [1]

Source URL (retrieved on 09/15/2014 - 1:04am):

<http://www.ecnmag.com/news/2011/01/oe-automotive-semiconductors-grow-39-billion-2017>

Links:

[1] <http://www.semicast.net/resources/Semicast+report+brochure+Automotive+Market+for+Semiconductors+2011.pdf>