

# Power Semiconductor Market to Grow by \$10 billion by 2015

Wellingborough, UK – 21st September 2011 – The global power discrete and module market is forecast to grow by \$10 billion to reach \$25.5 billion in 2015 according to a new report from IMS Research. The market saw a 40% recovery in 2010 and despite demand waning in the second half of 2011 the longer-term prospects remain very positive stated the research firm.

According to IMS Research, the power semiconductor module market grew faster than discrete power semiconductors in 2010, increasing by 58% to close on \$3.5 billion and industry growth is continuing in 2011, despite slowing demand. “The power module market is predicted to grow by 9% in 2011 and is projected to be worth almost double the 2010 revenue levels by 2015” stated Richard Eden, Senior Market Analyst and co-author of The World Market for Power Semiconductor Discrettes & Modules.

In the short term, power module market growth is being driven by the industrial motor drive, renewable energy, induction heating and welding and consumer sectors, which all grew faster than the overall market in 2010. For this year, IMS Research projects the consumer sector to grow the fastest in 2011, up by 17.2% but predicts other sectors to contribute more in future years. “Growth from the automotive and renewable energy sectors will accelerate considerably in the next few years, driven by demand from hybrid & electric vehicles and solar energy applications in particular” added Eden.

The power discrete market was worth an estimated \$12.3 billion in 2010 having grown by 37%, and although growth is predicted to slow considerably in 2011, the market is set to exceed \$19 billion in 2015. Demand for discrete IGBTs has helped the industry to continue growing this year. The sudden surge in discrete IGBT demand was fuelled by industrial and renewable energy applications as well as domestic appliances such as room air-conditioning and variable speed washing machines for the Chinese market.

Consumer applications are set to remain a high growth sector for the near future, particularly in China and the rest of Asia. China’s new Five Year Plan introduced legislation to reduce electricity consumption through improved power efficiency. “The new power standards mean that old appliances need replacement with inverterised compressors and motors, and with active, not passive, Power Factor Control (PFC)” continued Eden. The rapid industry-wide recovery caused demand to accelerate faster than manufacturers could increase production capacity, which led in turn to factory allocation for many customers. Many manufacturers are still carefully controlling deliveries and expect this situation to last beyond the end of 2011.

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The new report also found that the relatively small market for power discretes, renewable energy is forecast to be the fastest growing sector. This is being driven by the solar/PV market, with MOSFETs used in microinverters and rectifiers in solar panels. Commercially-viable microinverters for domestic installations were only introduced 2-3 years ago but have stimulated high demand, particularly in North America.

Latest findings and analysis on this important market can be found in IMS Research's recently released report "The World Market for Power Semiconductor Discretes & Modules 2011".

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