2012 Semiconductor Equipment Sales Forecast $38.2 Billion

SEMI

TOKYO, Japan — December 4, 2012 — SEMI projects that worldwide sales of new semiconductor manufacturing equipment will reach $38.2 billion in 2012, according to the year-end SEMI Semiconductor Equipment Consensus Forecast, released here today at the annual SEMICON Japan exposition. Following a multi-year expansion period, semiconductor equipment sales are expected to moderate before posting low double-digit growth in 2014.

After a 151 percent market increase in 2010 and a 9.0 percent increase in 2011, the equipment market is expected to contract by 12.2 percent in 2012. Growth is expected in just two regions in 2012 — Taiwan (12.7 percent increase over 2011) and South Korea (10.7 percent increase). In 2012, Taiwan and South Korea each will reach equipment sales of $9.6 billion, with North American sales totaling $8.0 billion. Rest of World (ROW), Europe, and Japan are the most negatively impacted in 2012.

In 2013, China, Taiwan and Japan are expected to have slight to moderate positive growth. While the overall 2013 forecast indicates another 2.1 percent reduction in sales, 2014 sales are expected to rebound — increasing 12.5 percent with all regions increasing sales.

"Sales of semiconductor manufacturing equipment in 2012 reflect significant investments over the prior two years, normal patterns of industry cyclicality and a slowdown in the broader economy," said Denny McGuirk, president and CEO of SEMI. "What's more important is that technology investments at the advanced nodes and in leading-edge packaging remain important drivers, and when market confidence returns, we expect capacity investments to increase."

Wafer processing equipment, the largest product segment by dollar value, is expected to decrease 14.8 percent in 2012 to $29.3 billion, and remain at approximately that same level in 2013. The forecast predicts that the market for assembly and packaging equipment will decline by 5.1 percent to $3.2 billion in 2012. The market for semiconductor test equipment is forecasted to decline by 4.8 percent, reaching $3.6 billion this year. On the positive side, the "Other Front End" category (fab facilities, mask/reticle, and wafer manufacturing equipment) is expected in increase 6.3 percent in 2012.

The following results are given in terms of market size in billions of U.S. dollars and percentage growth over the prior year:

Forecast by Equipment Segment

Equipment Type	2011 Actual	2012 Forecast	% Chg	2013 Forecast	% Chg	2014 Forecast
Wafer Processing	$34.34	$29.27	-14.8%	$29.37	0.3%	$33.12
Test	$3.77	$3.59	-4.8%	$3.24	-9.7%	$3.48
Assembly & Packaging	$3.34	$3.17	-5.1%	$2.93	-7.6%	$3.28
Other*	$2.07	$2.20	6.3%	$1.88	-14.5%	$2.20
Total	**$43.53**	**$38.22**	**-12.2%**	**$37.42**	**-2.1%**	**$42.08**

**Other: refers to Fab Facilities, Mask/Reticle, and Wafer Manufacturing equipment*

Forecast by Region

Region	2011 Actual	2012 Forecast	% Chg	2013 Forecast	% Chg	2014 Forecast
Taiwan	$8.52	$9.60	12.7%	$9.80	2.1%	$10.88
South Korea	$8.66	$9.59	10.7%	$8.63	-10.0%	$9.98
N. America	$9.26	$7.95	-14.1	$7.90	-0.6%	$8.55
Japan	$5.81	$3.72	-36.0%	$3.78	1.6%	$4.01
Rest of World (ROW)	$3.41	$2.12	-37.8%	$1.85	-12.7%	$2.18
China	$3.65	$2.58	-29.3%	$2.86	10.9%	$3.70
Europe	$4.22	$2.68	-36.4%	$2.60	-3.0%	$2.79
Total	**$43.53**	**$38.22**	**-12.2%**	**$37.42**	**-2.1%**	**$42.08**

Source: SEMI December 2012

Note: Totals and percentages may differ due to rounding of numbers

The Equipment Market Data Subscription (EMDS) [1] from SEMI provides comprehensive market data for the global semiconductor equipment market. A subscription includes three reports: the monthly SEMI Book-to-Bill Report, which offers an early perspective of the trends in the equipment market; the monthly Worldwide Semiconductor Equipment Market Statistics (SEMS), a detailed report of semiconductor equipment bookings and billings for seven regions and over 22 market segments; and the SEMI Semiconductor Equipment Consensus Forecast, which provides an outlook for the semiconductor equipment market. For more information or to subscribe, please contact SEMI customer service at 1.877.746.7788 (toll free in the U.S.) or 1.408.943.6901 (International Callers).

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Association Contacts

Deborah Geiger/SEMI
Phone: 408.943.7988
Email: dgeiger@semi.org [3]

Dan Tracy/SEMI
Phone: 408.943.7987
Email: dtracy@semi.org [4]

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