

Semiconductor Leaders See Massive Industry Transformation

SEMI

ISS 2013 Opens With Focus on Key Forces and Trends

SAN JOSE, Calif. — January 14, 2013 — The semiconductor industry is undergoing massive transformation as the rise in mobile computing, changes to the fabless-foundry model, uncertainties in technical innovation, and global macroeconomic trends become the dominant forces in 2013 and beyond, according to industry leaders speaking at the SEMI Industry Strategy Symposium (ISS), opening today in Half Moon Bay, Calif.

Ajit Manocha, CEO of GLOBALFOUNDRIES, during his keynote presentation discussed the dynamic technology and economic needs of mobile computing that is driving new approaches to the chip design-to-production cycle. Calling it “Foundry 2.0,” he sees outsourced semiconductor manufacturing moving toward a more IDM-like model, creating new collaboration models and techniques to close the gap between process teams at foundries and design teams at the fabless companies. With daunting technical challenges like 3D stacking, 450mm fabs, new transistor architectures, multi-patterning, and the uncertainties to lithography-based scaling, product development paths with virtual teams will evolve and adapt rapidly in the coming months and years.

With new fabs now costing upwards of \$8 billion and leading-edge manufacturing investments expected to exceed \$40 billion this year alone, global economic trends and forces — increasingly influenced by uncertain consumer spending in both developed and emerging markets — have never been important to the semiconductor ecosystem. **Dr. John Williams, president and CEO of the Federal Reserve Bank of San Francisco,** said “Many businesses are locked into a paralyzing state of anxiety.”

Williams used the ISS conference to lessen uncertainty and anxiety in the capital markets, pledging to keep interest rates near zero until the unemployment rate drops to 6.5 percent, as long as inflation expectations do not climb above 2.5 percent.

Bruce Kasman, chief economist and managing director of Global Research at JP Morgan, shared a positive economic outlook, especially in the second half of the year, that is “bumpy, better and less risky.” He sees Asia leading the economic rebound, as China demand accelerates with the change in leadership and improved access to credit. **University of Texas Austin Churchill scholar, Matthew**

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Gertken, however, discussed the simmering “Asian cold war” developing as territorial disputes with China generate an emerging “containment policy” by many of China’s neighbors.

How these macroeconomic dynamics are impacting the semiconductor industry was discussed by speakers who saw both perils and opportunities. **Andy Oberst, senior VP, Strategy and Corporate Development at Qualcomm**, looked at what mobile phones would likely look like in 2020, but also pointed out how disruptive changes — not incremental changes — have always driven the mobile phone market.

Satya Kumar, vice president at Credit Suisse, discussed how original equipment makers like phone and computer manufacturers have always benefitted from the declining cost of transistors and pondered, “Could stopping Moore’s Law be a good thing?”

As the world’s largest semiconductor company, Intel’s view is different. **Michael Bell, vice president, general manager, Mobile and Communications Group at Intel**, brought the audience up to date on the company’s mobile strategy, offering confidence that Intel’s portfolio of RF baseband technologies, leading-edge scaling performance, and supply chain excellence will ultimately deliver significant success.

Conference speakers on Day 2 and Day 3 of ISS will discuss how these and other mega-trends are specifically impact the R&D, product development, manufacturing, investment, and supply-chain challenges impacting various sectors of IC and microelectronics industry.

The [SEMI Industry Strategy Symposium](#) [1] (ISS) examines global economic, technology, market, business and geo-political developments influencing the semiconductor processing industry along with their implications for your strategic business decisions. For more than 35 years, ISS has been the bellwether semiconductor conference for senior executives to acquire the latest trend data, technology highlights and industry perspective to support business decisions, customer strategies and the pursuit of greater profitability.

About SEMI

[SEMI](#) [2] is the global industry association serving the manufacturing supply chains for the microelectronic, display and photovoltaic industries. Our 2,000 member companies are the engine of the future, enabling smarter, faster and more economical products that improve our lives. Since 1970, SEMI has been committed to helping members grow more profitably, create new markets and meet common industry challenges. SEMI maintains offices in Austin, Beijing, Bangalore, Berlin, Brussels, Grenoble, Hsinchu, Moscow, San Jose, Seoul, Shanghai, Singapore, Tokyo, and Washington, D.C. For more information, visit www.semi.org [2].

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

Deborah Geiger

Email: dgeiger@semi.org [3]

Phone: 1.408.943.7988

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