

# Fab Equipment Spending Up 25% in 2014

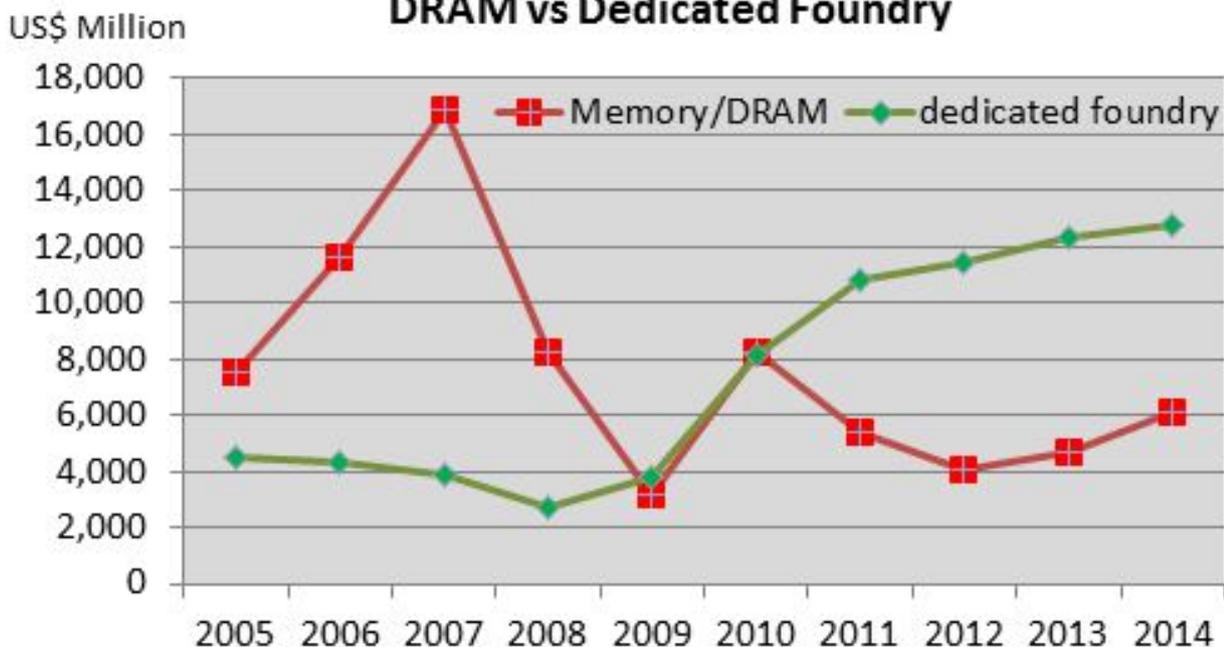
SEMI

**2013** — The SEMI [World Fab Forecast](#) [1] indicates that capital expenditure for semiconductor fab equipment spending will increase to US\$ 39.8 billion in 2014, the highest on record. Semiconductor revenue has improved in 2013 compared to 2012 and early forecasts for 2014 project revenue growth averaging about 8 percent. Semiconductor companies have adjusted their capital expenditure accordingly, and the SEMI report tracks over 200 projects, with details revealing that fab equipment spending is expected to decline by 1 percent in 2013 (to \$31.8 billion), but increase by 25 percent in 2014, including new, used and internally manufactured in-house equipment.

Overall fab spending in the first half of 2013 was slow, especially for fab equipment spending. Fab equipment spending is stronger in the second half of 2013, with a 30 to 40 percent increase over the first half. The SEMI data shows a different outlook for fab construction projects, forecasting a 25 percent spending increase in 2013 to over \$7 billion and then a drop of 16 percent in 2014 to about \$5.9 billion. Fabs under construction this year will begin equipping next year which affects fab equipment spending.

Fab equipment spending for dedicated foundries remains strong in 2013 (\$12 billion) and in 2014 (\$13 billion) — a growth rate of 5 percent in 2014. In the years prior to the economic downturn, fab equipment spending for DRAM was the highest spending industry segment. Since 2011, however, the dedicated foundry sector replaced DRAM as the leading industry sector.

## Fab Equipment Spending DRAM vs Dedicated Foundry



Source: SEMI World Fab Forecast report (August 2013)

While DRAM equipment spending dropped by 35 percent in 2011 and 25 percent in 2012, the SEMI data shows that DRAM fab equipment spending will increase by 17 percent in 2013 and at least 30 percent in 2014. An increase of about 2 to 3 percent for installed capacity for DRAM in 2014 is small but remarkable, given that the industry has not added any new DRAM capacity for years, and actually cutback capacity between 2011 and 2013.

The sector with largest growth rate for fab equipment spending in 2014 is expected to be Flash with a 40 to 45 percent increase (YoY). Over the last few years, capacity additions for the Flash sector also stagnated though technology investments. SEMI's reports show detailed predictions for robust spending in DRAM and Flash by several large companies including Micron and Samsung. Overall fab equipment spending for Flash alone is expected to hit a record of almost \$8 billion in 2014. After Flash and DRAM, MPU is expected to show the next largest growth in 2014, with fab equipment spending growing by over 40 percent (YoY). Intel is now preparing for 14nm, kicking off an MPU surge for 2014. The World Fab Forecast report gives insight into Intel's preparations for 14nm.

Since the last fab database publication at the end May 2013, the SEMI worldwide dedicated analysis team has made 242 updates to 205 facilities (including Opto/LED fabs) in the database. The latest edition of the World Fab Forecast lists 1,147 facilities (including 247 Opto/LED facilities), with 66 facilities with various probabilities starting production this year and in the near future. SEMI added 14 new facilities and closed 8 facilities.

The SEMI World Fab Forecast uses a bottom-up approach methodology, providing high-level summaries and graphs; and in-depth analyses of capital expenditures,

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capacities, technology and products by fab. Additionally, the database provides forecasts for the next 18 months by quarter. These tools are invaluable for understanding how the semiconductor manufacturing will look in 2013 and 2014, and learning more about capex for construction projects, fab equipping, technology levels, and products.

The SEMI Worldwide Semiconductor Equipment Market Subscription (WWSEMS) data tracks only new equipment for fabs and test and assembly and packaging houses. The SEMI World Fab Forecast and its related Fab Database reports track any equipment needed to ramp fabs, upgrade technology nodes, and expand or change wafer size, including new equipment, used equipment, or in-house equipment. Also check out the Opto/LED Fab Forecast. Learn more about the SEMI fab databases at: [www.semi.org/MarketInfo/FabDatabase](http://www.semi.org/MarketInfo/FabDatabase) [2] and [www.youtube.com/user/SEMIImktstats](http://www.youtube.com/user/SEMIImktstats) [3]

SEMI is the global industry association serving the nano- and micro-electronic manufacturing supply chains. Our 1,900 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 Bangalore, Beijing, Berlin, Brussels, Grenoble, Hsinchu, Moscow, San Jose, Seoul, Shanghai, Singapore, Tokyo, and Washington, D.C. For more information, visit [www.semi.org](http://www.semi.org) [4].

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<http://www.ecnmag.com/news/2013/09/fab-equipment-spending-25-2014>

### Links:

[1] [http://www.semi.org/en/Store/marketinformation/fabdatabase/ctr\\_027238](http://www.semi.org/en/Store/marketinformation/fabdatabase/ctr_027238)

[2] <http://www.semi.org/MarketInfo/FabDatabase>

[3] <http://www.youtube.com/user/SEMIImktstats>

[4] <http://www.semi.org/>

[5] <http://www.semi.org/en/node/mailto:>