

Growth Factors for the Global Semiconductor Industry

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Worldwide sales of semiconductors reached a record \$255.6 billion in 2007 – the sixth-consecutive year of record sales. SIA projects that global semiconductor sales will surpass \$321 billion in 2010.

Mr. Scalise argues that, despite continuous healthy increases in worldwide sales of microchips, revenue figures alone mask the real growth and importance of the worldwide semiconductor industry. “Moore's Law” – an observation by Gordon Moore in 1965 that projected a doubling of chip density approximately every 18 months – has been the industry's benchmark for more than 40 years. No other industry comes close to the semiconductor industry in delivering increased functionality and enhanced performance at constantly declining cost. “Smaller, faster, cheaper” will continue to be the mantra of the semiconductor industry. While advances in semiconductor technology will continue to be a major driver of the proliferation of microelectronic devices, there are other important growth drivers. Consumers now drive more than half of all semiconductor sales, and this trend will continue in the years ahead. Economic and political changes of the past decade have added hundreds of millions of new consumers – in China, India, Eastern Europe, and South America – to the worldwide economy. Growing concerns about energy conservation and environmental issues will also drive sales of semiconductors as we find new ways to do more with less energy while treading lightly on the environment.