

The Chip Industry's Future, Opportunities & Challenges

Malcom Penn, Chairman & Chief Executive Officer, Future Horizons Ltd.

Abstract

The 2000s was the worst decade ever for the chip industry, with the IC market growing only 0.8 percent on a Compound Annual Growth Rate (CAGR) basis, a far cry from the industry's traditional double-digit rate. At the same time the technology evolution relentlessly marched on and R&D and wafer fab costs escalated, on a seemingly relentless journey towards profitless prosperity.

In the face of such an onslaught, the IDM business model came under threat; conventional wisdom was that the industry had matured and its glory days were over. The six-point plan for success became: specialisation, go fab-lite, merge with each other, narrow the scope of R&D, cull the product line and outsource everything, especially to China. The semiconductor became steeped in pessimism and uncertainty.

Enter 2010, and the start of the next decade, with a market on track to grow over 30 percent. Tight capacity, supply allocations and foundry wafer price increases have turned the last decade's wisdom upside down, re-opening the door on the opportunities and prospects for the global semiconductor industry.

This presentation will look at the industry fundamentals and especially the opportunities and challenges for the global semiconductor industry, as well as providing a worldwide market and technology outlook.

Curriculum Vitae



Malcolm Penn is the founder of Future Horizons, a leading semiconductor industry analyst, established in April 1989. Mr. Penn has almost 50 years experience covering all aspects of the semiconductor and electronics industry, including new business development, management, manufacturing, marketing and design. Prior to establishing Future Horizons, Mr. Penn was Vice President of Dataquest (now Gartner) and Director of Dataquest's European Operations. Before that he was Manager of Component Engineering for ITT Europe (now Alcatel) and prior to that he held various operations and marketing management positions with ITT Semiconductors (now Micronas and General Signal).