



Gartner Says Worldwide Semiconductor Capital Equipment Spending to Return to Growth in Second Half of 2009

Despite Second Half Growth, Industry Is Still Forecast to Decline 48 Per Cent in 2009

STAMFORD, Conn. September 11, 2009 — Worldwide semiconductor capital equipment spending will grow 47.3 per cent in the second half of 2009, but due to the steep declines in the first half of the year, the market is projected to decline 47.9 per cent in 2009, according to Gartner, Inc.

Worldwide semiconductor capital equipment spending will rebound in 2010, when revenue is forecast to increase 34.3 per cent (see Table 1). All segments of the market are expected to grow in 2010.

"Equipment purchases for the remainder of 2009 and the first half of 2010 will be mostly technology buys, as memory companies get ready for copper implementation, and double patterning for critical geometries in the 5x nm and 4x nm generations," said Dean Freeman, research vice president at Gartner. "Capacity will begin to ramp in the second half of 2010 as businesses and consumers begin to open up their pocket books to purchase electronic goods, and more consistent semiconductor growth should be occurring worldwide."

Table 1
Worldwide Semiconductor Capital Equipment Spending Forecast, 2008-2013
(Millions of Dollars)

	2008	2009	2010	2011	2012	2013
Semiconductor Capital Spending	43,983.9	22,866.3	30,700.0	42,855.8	50,309.8	44,997.7
Growth (%)	-30.5	-48.0	34.3	39.6	17.4	-10.6
Capital Equipment	30,659.3	15,978.8	22,228.0	30,909.8	36,461.3	31,351.0
Growth (%)	-31.7	-47.9	39.1	39.1	18.0	-14.0
Wafer Fab Equipment	24,213.9	12,150.2	16,799.6	23,983.0	28,606.1	25,388.2
Growth (%)	-32.8	-49.8	38.3	42.8	19.3	-11.2
Packaging and Assembly Equipment	3,999.8	2,275.3	3,195.9	4,055.8	4,576.5	3,490.0
Growth (%)	-24.5	-43.1	40.5	26.9	12.8	-23.7
Automated Test Equipment	2,445.5	1,553.3	2,232.5	2,871.0	3,278.6	2,472.8
Growth (%)	-31.2	-36.5	43.7	28.6	14.2	-24.6
Other Spending	13,324.7	6,887.5	8,472.0	11,946.0	13,848.5	13,646.6
Growth (%)	-27.8	-48.3	23.0	41.0	15.9	-1.5

Source: Gartner (September 2009)

Worldwide wafer fab equipment (WFE) spending is expected to decrease 48.8 per cent in 2009. For 2010, the most likely scenario is for WFE spending to increase 38.3 per cent, paralleling anticipated growth in capital spending.

Worldwide packaging and assembly equipment (PAE) spending is forecast to decrease 43.1 per cent in 2009, then increase 40.5 per cent in 2010. The recovery for PAE began in the second quarter of this year as the market bounced off its sharp correction in the fourth quarter of 2008 through the first quarter of 2009.

For 2009, worldwide automated test equipment (ATE) is on pace to decline 36.5 per cent. After falling substantially for several quarters, the ATE market recovered in the second quarter of this year. Growth is expected to continue over the next several quarters as device demand improves.

Additional information is available in the Gartner report "Forecast: Semiconductor Capital Equipment Market Quarterly Growth Accelerates." The report is available on Gartner's website at http://www.gartner.com/DisplayDocument?ref=g_search&id=1173312&subref=simplesearch.

This research is produced by Gartner's Semiconductor Manufacturing programme. This research programme, which is part of the overall semiconductor research group, provides a comprehensive view of the entire semiconductor industry, from manufacturing to device and application market trends. More information on Gartner's semiconductor research can be found in the Gartner Semiconductor Focus Area at http://www.gartner.com/it/products/research/asset_129175_2395.jsp.

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