

Semiconductor sales down 28.6 pct in January: SIA

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A visitor looks at laptops at a computer fair. Worldwide semiconductor sales declined 28.6 percent in January from a year ago as the global recession continued to take a big bite out of the computer chip industry, an industry tracker said Monday.

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Worldwide sales of semiconductors fell to 15.3 billion dollars in January from 21.5 billion dollars in January 2008, according to the Semiconductor Industry Association (SIA). Sales in January were 11.9 percent lower than December 2008 sales of 17.4 billion dollars.

"Worldwide semiconductor sales in January, historically a relatively

weak month for the industry, reflected a continuing erosion of consumer confidence and the effects of the global economic recession," said SIA president George Scalise.

"Sales declined across the entire range of semiconductor products, as sales of important demand drivers such as personal computers, cell phones, automobiles and consumer items remained under pressure.

"Inventory levels are very low and there are some signs that forward visibility is improving," Scalise added.

The SIA said the US economic stimulus package "and measures adopted in other countries have the potential to drive future demand for semiconductors."

The association said semiconductor sales were lower in every market in January from a year ago.

They fell 25.9 percent in the Americas to 2.55 billion dollars, 33.9 percent in Europe to 2.27 billion dollars and 30.7 percent in the Asia-Pacific region to 10.49 billion dollars.

Semiconductor sales in Japan dropped 21.2 percent to 3.23 billion dollars.

Industry trackers Gartner and the International Data Corporation (IDC) last week slashed projections of global spending on information technology (IT) and said computer chip makers could be hit with an unprecedented plunge in revenue this year.

Gartner said it expected worldwide semiconductor revenue to drop 24.1 percent this year to 194.5 billion dollars while IDC forecast that the semiconductor market will erode 22 percent this year after sliding two

percent in 2008.

The group projected the semiconductor industry would turn around in 2010, growing by 7.5 percent, and gain ground annually through 2012.

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