

Semiconductor revenue forecast to fall 17 pct

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A visitor looks at laptops at a computer fair. Worldwide semiconductor revenue is expected to decline 17.1 percent this year compared with last year, market research firm Gartner said Wednesday.

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Gartner said worldwide [semiconductor revenue](#) is on track to total 212 billion dollars in 2009, down from 255 billion dollars in 2008.

The forecast, however, is rosier than that made at the end of May when the Stamford, Connecticut-based Gartner projected that semiconductor revenue would decline 22.4 percent this year.

"The semiconductor market has performed better than expected, as was evident when [second quarter](#) semiconductor revenue increased 17 percent in sequential sales," said Bryan Lewis, research vice president at

Gartner.

"Governments worldwide took action quickly and extensively to avoid a meltdown, and it worked," he said.

Gartner is projecting worldwide semiconductor revenue of 233 billion dollars in 2010.

"The fourth quarter of 2009 and first quarter 2010 will be extremely important in shaping the annual growth for 2010," Lewis said.

"We are currently expecting the fourth quarter of 2009 to be slightly positive, in line with typical seasonal patterns," he said.

"But foundries have reported they are concerned that demand may drop off more than seasonal in the fourth quarter, and it may carry into first quarter 2010.

"Gartner's most likely scenario is calling for a negative five per cent growth in the first quarter of 2010 as customers take a pause and absorb all the devices they purchased over the previous three quarters."

While the outlook for 2009 has improved, [Gartner](#) said all major segments of the semiconductor market are expected to experience double-digit declines in revenue this year.

The largest segment of the [semiconductor market](#) -- application-specific standard product (ASSP) -- will reach 57.2 billion dollars in 2009, down 16.5 per cent from 2008 revenue.

The memory market, the number two segment, is forecast to total 41 billion dollars, a 13.5 percent decline from last year.

The microcomponents segment -- microprocessors, micro controller units and digital signal processors -- is on pace to reach 39.4 billion dollars in 2009, a 19.2 percent decline from 2008.

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