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Worldwide Semiconductor Assembly and Test Services Market Grew 2.1 Per Cent in 2012, According to Final Results by Gartner

STAMFORD, Conn., May 2, 2013 — The worldwide semiconductor assembly and test services (SATS) market totalled \$24.5 billion in 2012, a 2.1 per cent increase from 2011, according to final results from Gartner, Inc.

"After experiencing relatively mild 1.8 per cent growth in 2011, the SATS market remained in a slow-growth mode for 2012," said Jim Walker, research vice president at Gartner. "Weakness in the PC market, which started in 2011 and carried into 2012, and lower overall consumer demand were contributors to the slow growth. This weak demand for semiconductor devices resulted in inventory build-up for much of the year."

ASE remained No. 1, with revenue of \$4.4 billion (see Table 1). Packaging accounted for 80.5 per cent of the company's total assembly/test/materials (ATM) revenue. As the No. 2 vendor, Amkor Technologies' 2012 total revenue was down slightly (0.6 per cent), at \$2.8 billion, due partially to the aggressive strategy in the copper wire-bonding transition by ASE, SPIL and others. Third-place SPIL was able to achieve revenue of \$2.2 billion, with 90 per cent of the revenue from packaging and 10 per cent from test. At No. 4, STATS ChipPAC is the last of the top four broad-based package supplier companies in Gartner's top five. In the fifth spot, Powertech Technology (PTI) is differentiated from the others in that the majority of its revenue comes from servicing the memory segment of the semiconductor market.

**Table 1
 Top 5 Worldwide SATS Companies Sales (Millions of US Dollars)**

2012 Rank	2011 Rank	Company	2012 Revenue	2012 Market Share (%)	2011 Revenue	2011-2012 Growth (%)
1	1	ASE	4,399	17.9	4,252	3.5
2	2	Amkor Technologies	2,760	11.3	2,776	-0.6
3	3	SPIL	2,186	8.9	2,024	8.0
4	4	STATS ChipPAC	1,702	6.9	1,707	-0.3
5	5	Powertech Technology (PTI)	1,408	5.7	1,252	12.4
		Others	12,071	49.3	12,013	0.5
		Total Market	24,526	100.0	24,024	2.1

Source: Gartner (April 2013)

Another factor for the slow growth in the market in 2012 was the overinvestment in both SATS and integrated device manufacturer (IDM) packaging capacity in 2010 and 2011. This oversupply of both advanced and traditional packaging capability by many device makers created a weaker pricing environment for outsourcing services in 2012 and left the industry in an oversupply condition with lower factory utilisation.

Nevertheless, even in this slow-growth environment, the SATS market saw the continuation of the rapid transition from gold to copper wire bonding, resulting in lower-cost packaging processes. It was also a year

in which flip-chip and wafer-level packaging (WLP) technologies continued to be an increasing part of the revenue contribution for the top companies in the SATS market.

Additional information is provided in the Gartner report "Market Share Analysis: Semiconductor Assembly and Test Services, Worldwide, 2012." The report is available on Gartner's web site at <http://www.gartner.com/resId=2438815>.

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