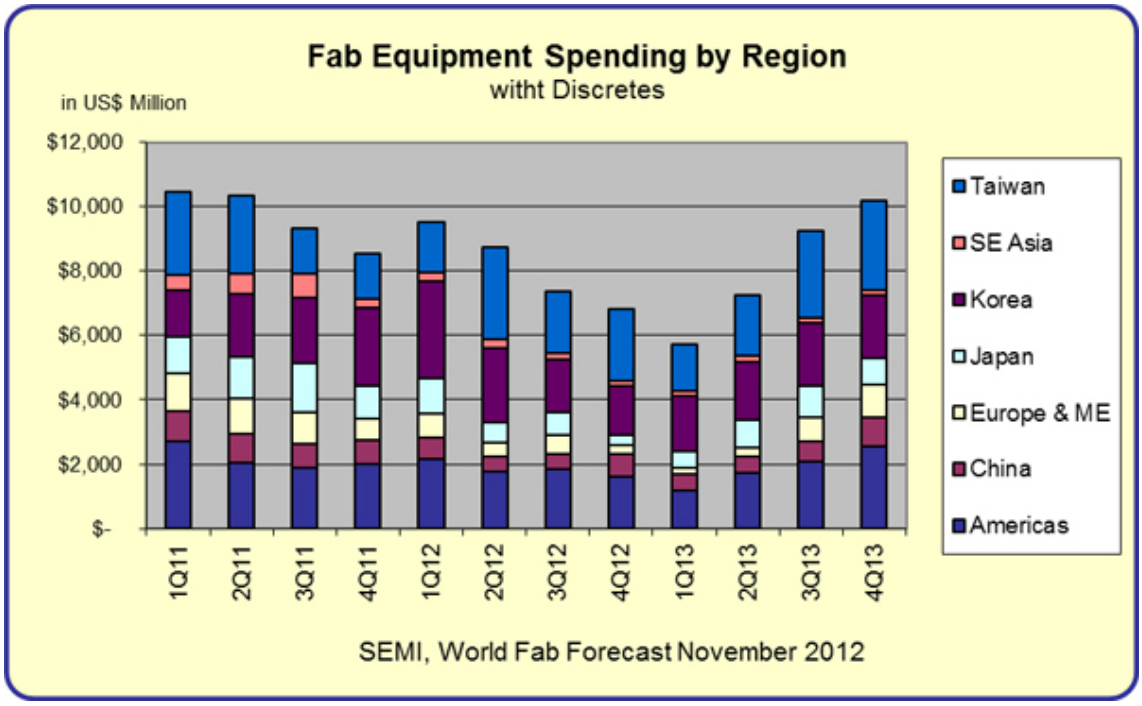
SAN JOSE – Growing demand for mobile devices, such as tablets and phones, inspires an improved outlook for chip sales in 2013, according to **SEMI's** latest World Fab Forecast.

Various forecasts for chip growth range from 4 to 16%, averaging 7%, revenue growth this year.

However, external market factors such as the Chinese economy, geopolitical skirmishes, the US fiscal cliff and debt ceiling debates, and Europe's recession may sideline some of the largest capital spenders. Furthermore, the outcome of the election in South Korea and patent suits with **Apple** also may affect **Samsung's** capex decisions for 2013. So while chip sales may rise in 2013, some perspectives for equipment sales range from low single-digit growth down to negative double digits.



The largest spenders on fab equipment are **TSMC**, Samsung, and **Intel**, with the latter two yet

to formally announce 2013 capex plans.

As such, the SEMI has lowered its forecast for for front-end equipment to flat (or $32.4 billion, including discretes and LEDs, used equipment and in-house equipment), down from 17% growth in August.

Possible scenarios for 2013 vary from a drop of 5% to a rise of 3% change for equipment spending, mainly pending capex plans by TSMC, Intel and Samsung, SEMI said.

The projected number of facilities equipping will drop from 212 in 2012 to 182 in 2013. In addition, fab equipment spending saw a drastic dip in the second half of 2012, says SEMI; the first quarter of 2013 is expected to be even lower.

While fab construction spending was down 15% in 2012, SEMI projects an increase of 3.7% year-over-year in 2013 to $5.8 billion.

The report tracks 34 fab construction projects for 2013 (down from 51 in 2012). An additional 10 new construction projects may start in 2013. The largest increase for construction spending in 2013 is expected to be for dedicated foundries and Flash-related facilities. Some 78 facilities are starting production this year and in the near future.

SEMI expects equipment spending for front-end fabs in the range of falling 5% to increasing 3% this year.