

For Immediate Release

Semiconductor Wet Chemicals Fall Short of 2008 Levels

Techcet Forecasts \$1B Electronic Chemicals Business by 2015

North Plains, OR, June 29: The 2010 market for semiconductor wet chemicals (acids, bases and solvents) totaled \$850M, up 13% over the 2009 low, according to a new report from Techcet Group, “**Wet Chemicals for Semiconductor Device Processing 2011, A Techcet Group Critical Materials Report.**” The 2011 outlook is for 6% additional growth, but recovery to the 2008 high of \$968M won't occur until 2013. The semiconductor wet chemicals market is expected to grow to \$1.08B by 2015, according to Techcet's forecast.

Mitsubishi's production of hydrogen peroxide in Japan, disrupted by the March, 2011 earthquake and tsunami, is expected to be back to full capacity this month. China's restrictions on fluorspar and phosphor mineral exports continue to put pressure on hydrofluoric and phosphoric acid manufacturers, while rising petroleum prices are increasing the cost of solvents and polyethylene containers.

The global market is distributed among nine major players with 5% share or greater, led by BASF and Kanto in the first tier. There are, however, vast differences in market leadership by region, with BASF leading only in Europe and China, and Kanto leading only in Japan. KMG's US market share is now thought to exceed 50% following its acquisition of General Chemical in the first quarter of 2010.

With the continuing migration of semiconductor manufacturing to Asia, the US has fallen to a fourth place 14% in volume consumption of electronic wet chemicals, behind Japan, Taiwan and Korea. In spending on these chemicals, however, the US is slightly ahead of Taiwan and Korea due to intense price competition in Asia and to a disproportionate US demand for higher performance chemicals for leading edge technologies.

In addition to market analysis, technical trends, critical supply chain issues and EH&S activities, the report includes profiles and updates for sixteen major chemical suppliers to the global semiconductor industry.

Techcet Group, LLC specializes in technical trend analysis and market analysis for the semiconductor, silicon, PV and related electronics industries. The company has been responsible for producing the International Sematech Critical Material Reports since 2001. Other reports released this quarter include:

- CMP Consumables
- Photoresist and Photoresist Ancillaries
- Sputter Targets
- Gases

For additional information about these reports, contact Lita Shon-Roy, lshonroy@techcet.com, +1-480-336-2160, or visit our website at www.techcet.com.

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