

## **3G Base Stations: new demand pumps power amplifier semiconductor market**

2004 will be a record year for new 3G network launches. In fact global 3G launches will probably peak this year, and every 3G network requires major infrastructure, including many power amplifiers. The larger the network, the more amplifiers are required.

The result is a substantial pent-up demand for these amplifiers and the components that go into them. Because the market is growing so fast, a number of suppliers are attempting to break in, although the acknowledged market leader, Motorola, has defended its dominant position successfully so far. Infrastructure vendors, needing to increase production rapidly to meet growing demand, are less likely to go with alternative designs requiring compliance- and field-testing, than they are to stay with the products they know already.

But although the power amplifier/component market is somewhat commoditized, there is still room for designs that achieve greater efficiency and lower power consumption. Greater efficiency in fact carries a double benefit for operators: not only does lower power consumption mean lower operating cost, but more efficient amplifiers produce less heat, reducing expenditures on base station cooling and air conditioning. Some of the newcomers are jockeying for position with more efficient designs. Are they achieving any leverage with these strategies? How big will this market become? The data are still coming in.

To understand more about the power semiconductor market and how it may affect your business model now and in the future, please visit: <http://www.abiresearch.com/reports/PSEM03.html>.

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