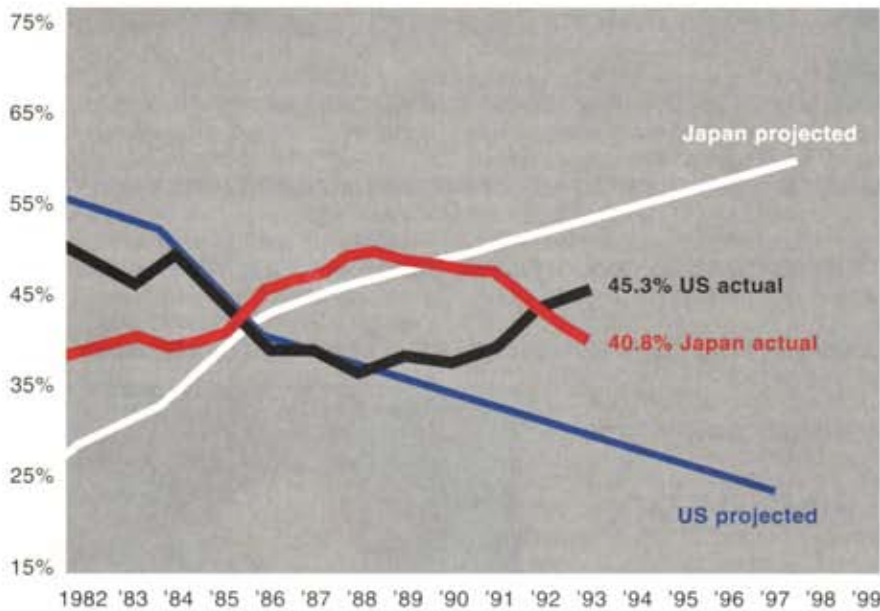


# The Chart Page

By Tamar A. Mehuron, Associate Editor

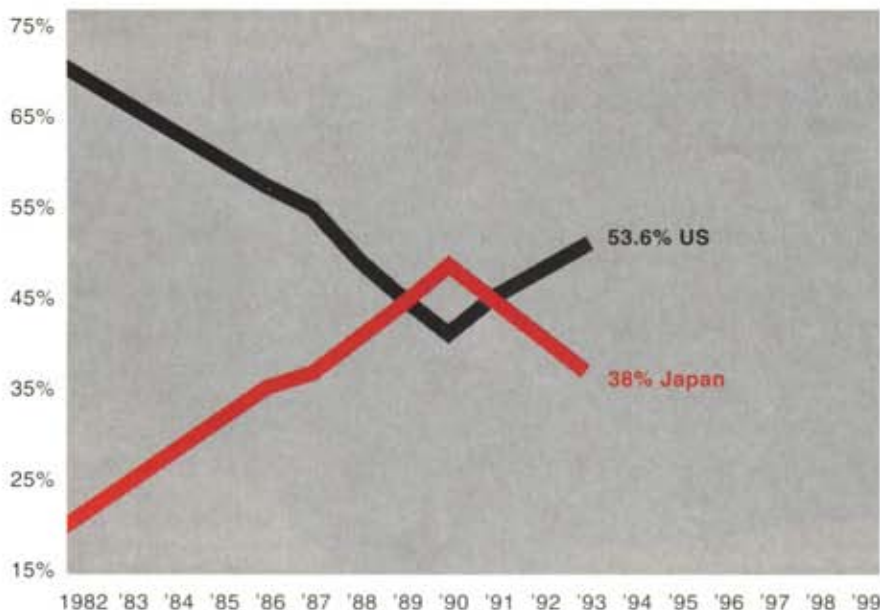
## The Tide Turns in the Chip War

### Semiconductors: Shares of World Market



*Seldom have straight-line projections been so wildly inaccurate. In the 1980s, when Japan overtook the US in sales of semiconductors and chip-making equipment, many in Congress, the Pentagon, and elsewhere predicted that Japan would widen its lead dramatically while US performance would continue to sag in this defense-critical industry. This worst-case scenario never materialized. The US regained the lead in overall commercial chip sales in 1992 (top chart) and overtook Japan in equipment sales even earlier, in 1991 (bottom chart). The first chart shows that the US market share of semiconductor sales in 1993 was fifteen percent higher than the level that had been forecast in a 1987 government projection, while the Japanese share was 12.5 percent lower than expected.*

### Chip-Making Equipment: Shares of World Market



SOURCE: SEMATECH, 1993 Annual Report