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Taiwan to become top supplier of large TFT-LCD panels: IEK

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aiwan is expected to unseat South Korea as the biggest producer of large-size thin-film transistor liquid-crystal display (TFT-LCD) panels in 2004, the industrial Economics & Knowledge Center (IEK) predicted.

The IEK was established under the Industrial Technology Research Institute to promote cooperation between the government and private sector.

On March 19, IEK industry analyst Liu Ching-chuen said that the addition of five fifth-generation TET-LCD plants in Taiwan would help the island surpass South Korea in TFT-LCD panel production.

Taiwan currently has five major TFT-LCD makers: <u>AU Optronics (formerly Acer Display Technology and Unipac Optoelectronics)</u>, Chunghwa Picture Tubes, HannStar Display, Chi Mei Optoelectronics (CMO), and Quanta Display.

The IEK also indicated that AU Optronics, CMO and Chunghwa are expected to become the world's third-, fourth- and fifth-largest TFT-LCD makers this year, accounting for 12.3 percent, 11 percent and 7.7 percent of the global supply, respectively. The center added that Samsung Electronics and LG-Philips of South Korea would remain the top-two suppliers this year, while Hitachi and Sharp of Japan are expected to be ousted from the top-five list this year.

According to Liu, South Korea, Taiwan and Japan respectively supplied about 38 percent, 36 percent and 26 percent of the global demand for TFT-LCD panels in the first quarter of this year. Liu said that although Taiwan would fall short of South Korea in panel supply next year, it will eclipse its neighbor to the north by 2004, when most of the island's fifth-generation plants reach full capacity.

With the arrival of the fifth-generation plants, Liu said, TFT-LCD output in Taiwan will steadily shift emphasis to 17-inch and 18-inch panels, instead of the 15-inch panels that are the standard size today.

The IEK said that Taiwan's TFT-LCD panel production volume is expected to soar by 129 percent from last year, for the first time pulling ahead of Japan to become the second-largest supplier.

The center added that Taiwanese panel suppliers would be more competitive than their South Korean rivals in the future as local makers are developing their fifth-generation business through "industry clusters," rather than going it alone as is the pattern in Korea.

Two such clusters in the making, the center said, are the LCD material zone under planning by CMO in southern Taiwan's Tainan Science-based Industrial Park, and an opto-electronics industry zone under development by Chunghwa near its fifthgeneration plant in Taoyuan.

Both industrial zones are expected to evolve into industry clusters supplying glass substrate, photo masks, color filters, back-light modules and other key components for the flat panels. The congregation of these closely linked sectors is expected to help producers cut costs and enhance mutual cooperation.

The IEK predicted that the global TFT-LCD panel demand will reach about 64.42 million panels, up from last year's 44.95 million units. The volume is expected to top 80 million units next year and 100 million panels in 2004, the center added, with the strongest growth momentum from LCD monitors and TVs.

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http://www.taiwanneadlines.gov.tw/20020322/20020322b1.html

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