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CONTRACT ASSEMBLY

In "The Role of Contract Assembly," Pieter Burggraaf, Associate Editor of *Semiconductor International* (December, 1981), discusses the role of semiconductor assembly subcontractors, both in the U.S. and Asia. He lists 20 separate subcontractors.

Subcontractors serve companies with small assembly needs and larger firms which need fluctuating capacity. For customers concerned that a subcontractor will not pay adequate attention to their particular specifications, many subcontractors offer "dedicated" lines, which assemble only for that customer.

Burggraaf cites Silicon Valley consultant Dan Rose, who says subcontracting is less expensive than in-house assembly when the manufacturer (wafer fab house) has less than 600 employees. Rose states, "The switch from total use of contract assembly usually occurs when a semiconductor manufacturer is using a contract work force of 200 people spread over several manufacturers."