

RESEARCH BULLETIN

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TV Semiconductor Market Growing Despite Decline in TV Shipments

Wireless video, network interfaces, multi-format decoders, LED backlighting boost average semiconductor content per TV.

Despite a drop in global television unit demand in 2013, the semiconductor market for TVs is forecast to increase by an estimated 7% to \$13.1 billion, according to data presented in IC Insights' upcoming *IC Market Drivers 2014* report (Figure 1). Technologies such as wireless video connections, networking interfaces, multi-format decoders and LED backlighting have boosted the average semiconductor content in TV sets even as global TV unit shipments are forecast to decline by an estimated 3% in 2013, according to the forthcoming report.

MORE INFORMATION CONTACT

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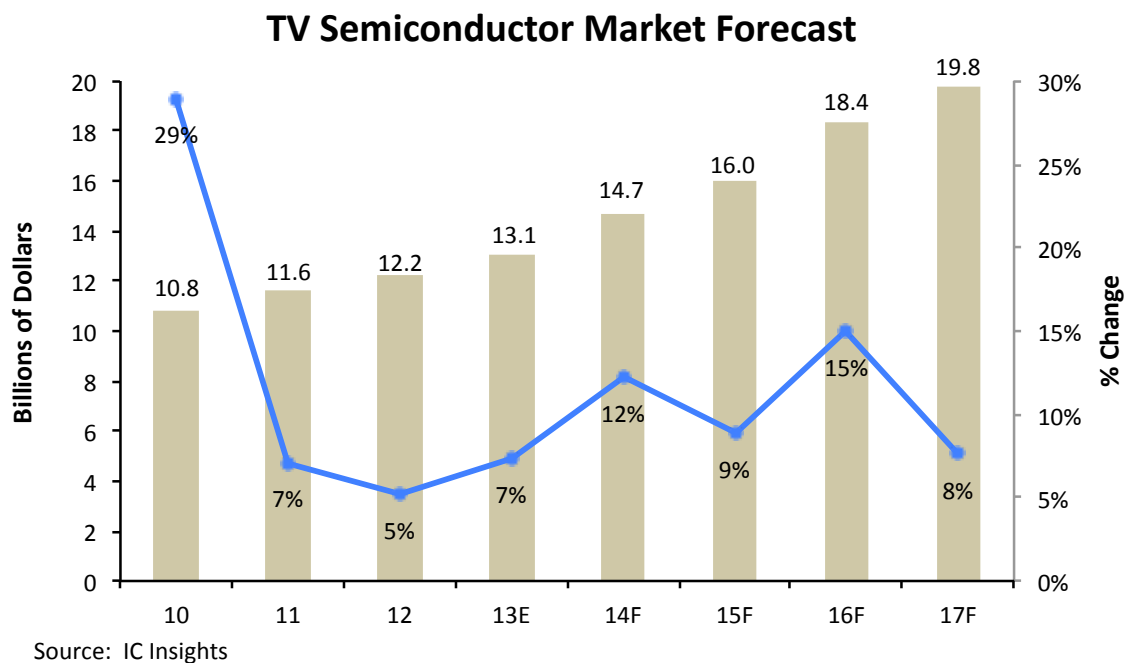


Figure 1

IC Insights projects that total global semiconductor revenue for televisions will grow 12% to \$14.7 billion in 2014 due to an uptick in new TV sales in advance of the 2014 Winter Olympic Games and the 2014

FIFA World Cup. Between 2012 and 2017, the semiconductor market for DTVs is forecast to grow at a healthy pace of 10% percent annually, increasing to \$19.8 billion at the end of the forecast period.

Though the transition to digital TV broadcasting is largely complete in mature markets like North America, Western Europe, and Japan, the transition continues in emerging markets throughout Latin America and Asia-Pacific. Through the forecast period, Chinese manufacturers are expected to flood the Asia-Pacific market with new (primarily low-cost) TVs. However, it is worth noting that China's leading TV makers, TCL Corp and Hisense Electric Co., also are accelerating their push into the U.S. market and trying to grab marketshare from Japanese and South Korean vendors.

Across all regions, shipments of Smart TVs and TVs with 3D technology are helping boost semiconductor content. The new *IC Market Drivers* report concludes, however, that both of these technologies face significant challenges in the next five years. Challenges for Smart TV include fragmentation of platforms and standards and the strong likelihood for technology obsolescence after only a few years.

Meanwhile, the market for 3D TV took a hit earlier this year when ESPN announced that it planned to discontinue its 3D sports coverage and close its 3D sports channel by the end of 2013 to focus its time and efforts on improving traditional high-resolution broadcasts. 3D-equipped TVs are expected to grow to an estimated 23% of total TV shipments in 2013, but this may be a "false positive" since manufacturers now include 3D technology on many of their new TVs even though consumers aren't using the feature.

A couple of technologies showing considerable promise are curved-panel organic LED (OLED) TVs and 4K or Ultra-high definition (UHD) TVs that feature twice the resolution of today's existing HDTV sets. Additionally, the *IC Market Drivers 2014* report points out that significant changes are underway as traditional cable and satellite service providers face new and renewed threats from Google, Apple, Amazon, Intel, and others to provide alternative methods to viewing one's favorite shows.

Report Details: *IC Market Drivers 2014*

IC Market Drivers 2014—A Study of Emerging and Major End-Use Applications Fueling Demand for Integrated Circuits examines the largest, existing system opportunities for ICs and evaluates the potential for new applications that are expected to help fuel the market for ICs.

IC Market Drivers is divided into two parts. Part 1 provides a detailed forecast of the IC industry by system type, by region, and by IC product type through 2017. In Part 2, the *IC Market Drivers* report examines and evaluates key existing and emerging end-use applications that will support and propel the IC industry through 2017. Some of these applications include automotive, smartphones, personal/mobile computing (including tablets), servers and cloud computing, wireless networks, medical/health electronics, and a review of many applications to watch—those that may potentially provide significant opportunity for

IC suppliers later this decade. The *IC Market Drivers 2014* report is priced at \$3,290 for an individual-user license and \$6,390 for a multi-user corporate license. It is set for release in November 2013.

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About IC Insights

IC Insights, Inc., based in Scottsdale, Arizona USA, is dedicated to providing high-quality, cost-effective market research for the semiconductor industry. Founded in 1997, IC Insights offers coverage of global economic trends, the semiconductor market forecast, capital spending and fab capacity trends, product market details, and technology trends, as well as complete IC company profiles and evaluations of end-use applications driving demand for ICs.

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