

**DECEMBER 10, 2015**

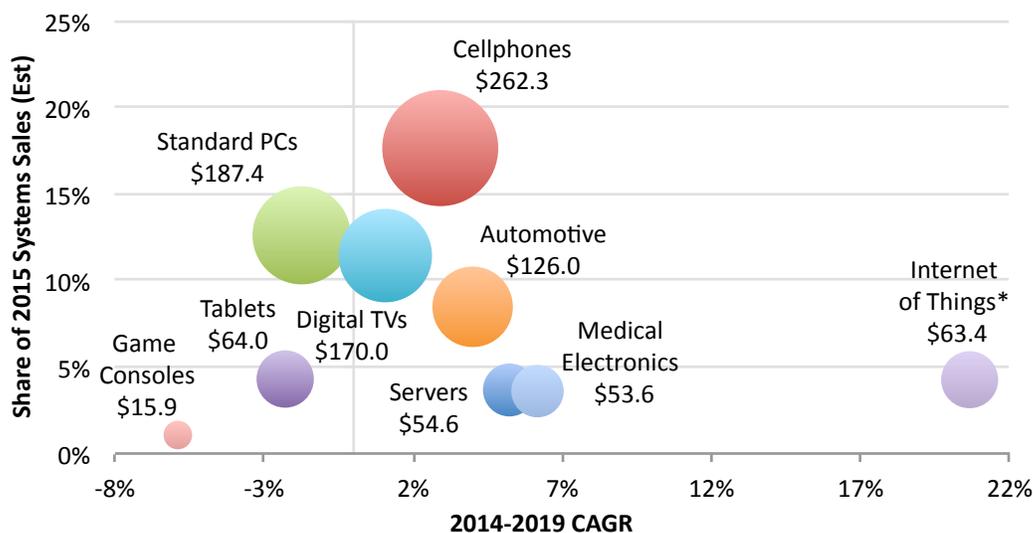
## Cellphones Remain the Largest Driver of IC Sales, but Growth Stalls Market for Internet of Things expected to be high-flyer through 2019.

The total production value of electronic systems is forecast to decrease 2% in 2015 to an estimated \$1,423 billion, marking only the fourth time in history that the systems market registers a decline (previous years were 2001, 2002, and 2009). Total electronic system sales are forecast to reach \$1,614 billion in 2019, which represents a compound annual growth rate (CAGR) of 2.1% from \$1,454 billion in 2014. Figure 1 compares the relative market sizes and projected growth rates of nine major systems segments covered in IC Insights' recently released 2016 edition of its *IC Market Drivers* report. These nine market categories represented approximately 70% of the estimated total production value of all electronic systems in 2015.

### MORE INFORMATION CONTACT

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### End-Use Systems Markets (\$B) and Growth Rates



\*Covers only the Internet connection portion of systems

Source: IC Insights

**Figure 1**

Among individual end-use systems covered in detail in the 2016 *IC Market Drivers* report, cellphones expanded their lead over standard personal computers (desktops and notebooks) as the largest electronic

systems market in 2015 after overtaking PCs for the first time in 2013. Cellphones accounted for 18% of total electronics systems sales (\$262.2 billion) versus about 13% for standard PCs (\$187.4 billion) in 2015. Cellular phone sales are projected to rise by a CAGR of 2.9% in the 2014-2019 period, while standard PC revenues are expected to slump by an annual rate of -1.7%, partly due to longer upgrade cycles for standard PCs, the influx of tablet computers into the mix of computing platforms, and the growing use of smartphones to access the Internet.

The Internet of Things system market is forecast to show the highest average annual growth rate (21%) through 2019. Aside from this one high-flying market, however, no other system category is forecast to average annual growth of more than 7%. In fact, the standard PC, tablet, and game console system markets are forecast to decline through 2019.

### **Report Details: *IC Market Drivers 2016***

*IC Market Drivers 2016—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.

Released in November 2015, *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 2019. In Part 2, *IC Market Drivers* examines and evaluates key existing and emerging end-use applications that will support and propel the IC industry through 2019. Some of these applications include the Internet of Things, automotive electronics, smartphones, personal/mobile computing (including tablets), digital imaging, and a review of many applications to watch—those that may potentially provide significant opportunity for IC suppliers later this decade. *IC Market Drivers 2016* is priced at \$3,490 for an individual-user license and \$6,590 for a multi-user corporate license.

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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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