

**DECEMBER 16, 2015**

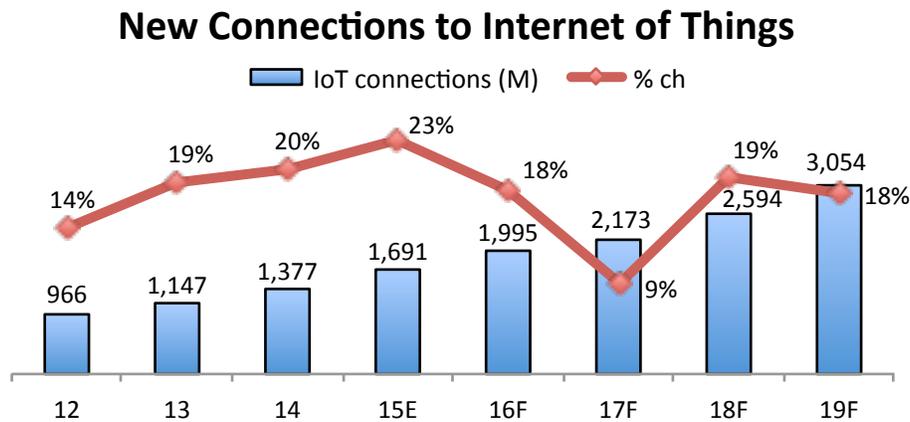
## Internet of Things Market to Nearly Double by 2019

*Internet of Things integrated circuit sales expected to display a CAGR of 15.9% over the next four years, with MCUs and SoC processors seeing the strongest growth.*

Between 2015 and 2019, worldwide systems revenues for applications connecting to the Internet of Things will nearly double, reaching \$124.5 billion in the final year of this decade, according to IC Insights' new 2016 edition of its *IC Market Drivers* report. During that same timeframe, new connections to the Internet of Things (IoT) will grow from about 1.7 billion in 2015 to nearly 3.1 billion in 2019 (Figure 1), based on the forecast in the new 450-page report, which examines emerging and major end-use applications fueling demand for ICs.

### MORE INFORMATION CONTACT

Rob Lineback  
 Senior Market Research Analyst  
 Phone: +1-817-731-0424  
 Email: rob@icinsights.com



Source: IC Insights

**Figure 1**

The new *IC Market Drivers* report shows about 30.0 billion Internet connections are expected to be in place worldwide in 2020, with 85% of those attachments being to web-enabled "things"—meaning a wide range of commercial, industrial, and consumer systems, distributed sensors, vehicles, and other connected objects—and 15% for electronics used by humans to communicate, download and receive streams of data files, and search for online information. It was the opposite of that in 2000, with 85% of 488 million Internet connections providing human users with online access to the World Wide Web and the remaining

15% serving embedded systems, remote sensing and measurements, control, and machine-to-machine communications.

Strong double-digit increases in the Internet of Things market will drive up IC sales in IoT applications by a compound annual growth rate (CAGR) of 15.9% between 2015 and 2019 to about \$19.4 billion in the final year of this decade (Figure 2), according to the new report. IoT applications will also fuel strong sales growth in optoelectronics, sensors/actuators, and discrete semiconductors (O-S-D), which are projected to rise by a CAGR of 26.0% between 2015 and 2019 to \$11.6 billion in four years. The new *IC Market Drivers* report shows microcontrollers and system-on-chip microprocessors topping integrated circuit sales growth with a CAGR of 22.3% in the next four years, followed by memories at 19.8%, application specific standard products (ASSPs) at 16.4%, and analog ICs at an annual growth rate of 12.7%.

### IoT Semiconductor Growth Rates

Product Category	2015E Sales (\$M)	2019F Sales (\$M)	2015-2019 CAGR
Total Semiconductors	15,411	31,083	19.2%
Total ICs	10,790	19,436	15.9%
Total O-S-D	4,621	11,647	26.0%

Source: IC Insights

Figure 2

In the 2014-2019 forecast period of the *IC Market Drivers* report, wearable systems are projected to be the fastest growing IoT application with sales increasing by a CAGR of 59.0%, thanks in great part to a 440% surge in 2015 due to the launch of Apple's first smartwatches in 2Q15. Sales of IoT-connected wearable systems are expected to reach \$15.2 billion in 2019 compared to \$1.5 billion in 2014 and about \$8.1 billion in 2015.

Meanwhile, connected vehicles (passenger cars and light trucks) are expected to be the second fastest market category for IoT technology with revenues growing by a CAGR of 31.5% between 2014 and 2019 to \$5.3 billion in the final year of this decade.

### 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.

To review additional information about IC Insights' new and existing market research products and services please visit our website: [www.icinsights.com](http://www.icinsights.com)

#### **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.

**Web Site:** [www.icinsights.com](http://www.icinsights.com) • **Phone:** +1-480-348-1133 • **E-mail:** [info@icinsights.com](mailto:info@icinsights.com)