RESEARCH BULLETIN

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Notebook PC Units to Surpass Desktop Shipments by 2010

Resilient PC market to remain largest application for ICs

For almost two decades, personal computers have been a bellwether of IC industry health, accounting for one-third or more of the world's IC revenues since the early 1990s. Through the end of this decade, the status of PC systems will not change despite periods of slow annual growth rates for units shipped and worldwide revenues from products. Stronger growth rates are now materializing worldwide in the notebook segment, which is rapidly catching up with desktop personal computers and expected to nudge ahead in terms of unit-volume shipments in 2010 (Figure 1), according to the 2008 edition of IC Insights' *IC Market Drivers* report. Notebook PC unit sales are forecast to increase at a cumulative average growth rate (CAGR) of 18% per year this decade (2000-2010) compared to a CAGR of 4% for desktop PCs.

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Of a PC system's total cost, an estimated 30% is represented by IC components in 2007. This percentage is expected to rise steadily through by 2011, partly because PC system prices will fall a little faster than integrated circuit ASPs. IC content in PCs will also be driven higher by the growth of embedded cameras in computers, which will contain CMOS image sensors, analog-to-digital converters, and image signal processors, along with the advent of solid-state disks and hard-disk cache systems built with NAND flash memory ICs.

Personal computers (including desktop systems, notebooks, and x86-based PC servers) continue to be the world's largest IC consuming product. Of the total $220.3 billion IC market in 2007, 33% is estimated for PC-related devices. While several other existing and new IC system applications are showing stronger growth rates, the huge PC segment is expected to account for no less than 32% of the integrated circuit market through 2011. If other computer systems (e.g., professional workstations, mainframes, supercomputers, etc.) are also considered, about 47% of all dollars spent on integrated circuits are for computer-related ICs.

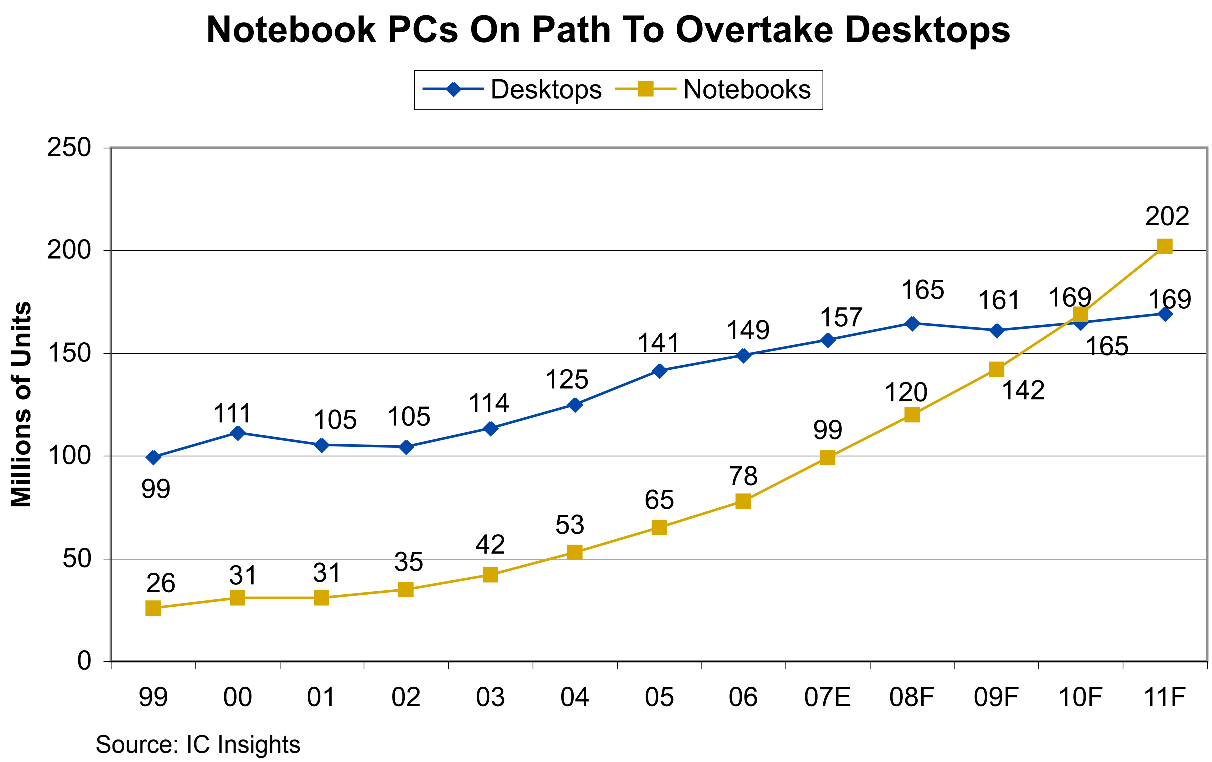

Figure 1

Report Details

Details and forecasts of the IC market for PCs can be found in IC Insights' newly released 2008 Edition of *IC Market Drivers—A Study of Emerging and Major End-Use Applications Fueling Demand for Integrated Circuits*. The report identifies numerous existing end-use applications such as PCs, cellular phones, automotive systems, and wireless networking, and newly emerging applications that offer great potential to propel the IC market through 2011. Binder plus CD-ROM copies of the report are available for $2,885 with a multi-user corporate license available for $5,690.

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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