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Portable PCs Push Past Desktops

Gap between shipments of portable computers and desktop PCs to widen through 2013

For nearly two decades, personal computers have been a bellwether of industry health, accounting for about one-third of the world's IC revenues since the early 1990s. Following several years of extraordinary growth, portable computer shipments exceeded unit volumes of desktop PC systems for the first time in 2009 (Figure 1). IC Insights shows portable computer shipments numbered 152 million in 2009 compared to 134 million desktop PCs. Through 2013, the gap is forecast to widen.

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Shipments of portable PCs (counting all types of mobile platforms and price ranges) are now forecast to increase at a compound annual growth rate (CAGR) of 21% per year between 2003 and 2013 compared to a CAGR of just 2% for desktop PCs in the same 10-year period.

Arguably, the most-watched system trend in PCs today is the growing wave of low-cost portable computers, which continues to swell with a wider range of overlapping platforms being aimed at cost-conscious PC users. In 2008, sub-\$500 portable systems became the rage when Intel accelerated its marketing and microprocessor campaigns behind inexpensive Internet-centric mini-notebook systems, which the company has successfully labeled as "netbooks." But during 2009, new efforts were launched by IC suppliers (including Intel) and computer makers to create a new class of low-cost portable PCs for consumers, often called "ultraportables," which are built with low-voltage chip designs and deliver the performance of full-featured laptop notebooks in systems costing \$600-\$900.

While the PC industry segment continues to undergo tremendous changes, it also faces new challenges as it enters a new decade. A growing range of tradeoffs in cost, performance, and system architectures are requiring PC makers and IC suppliers to support more hardware configurations, which are narrowly targeted at specific types of computer users in business and consumer markets. The growth in low-cost notebook computers for consumers and a shift of higher growth rates to poorer developing countries have made the PC segment even more competitive. Less-expensive portable PCs are now grabbing more sales

in both established and emerging markets, and as a result, new cost pressures are being added to the supply chain for flat-panel color displays, wireless-networking solutions, small disk drives, and battery-friendly ICs.

Portable PCs Push past Desktops in 2009

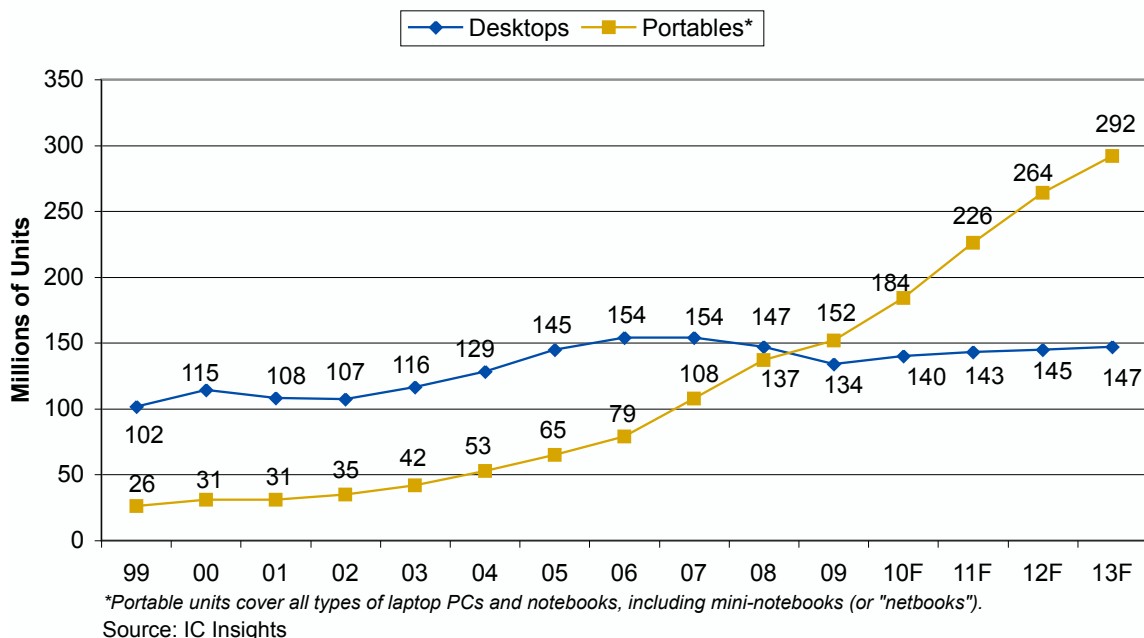


Figure 1

Report Details

Additional details and forecasts about personal computers and other electronic systems driving the IC market can be found in the 2010 edition of IC Insights' *IC Market Drivers—A Study of Emerging and Major End-Use Applications Fueling Demand for Integrated Circuits*. The report examines the leading applications for ICs and evaluates the potential growth for new applications that are expected to fuel the market for ICs through 2013. Price: \$2,490 in three-ring binder or CD format (\$2,985 for both); \$5,890 for multi-user corporate license (includes binder, CD, and Internet access password).

Additional details of the microprocessor market and including a forecast of market size, unit shipments, and average selling prices through 2014 is found in IC Insights' *McClean Report 2010 Edition*. *The McClean Report* is IC Insights' forecast and analysis of the complete IC industry. Packed with more than 400 tables and graphs, the 2010 edition of *The McClean Report* is available in three-ring binder, CD-ROM, and on-line formats, and also comes with free monthly updates by e-mail from March through November. Price: \$2,890 in three-ring binder or CD format (\$3,385 for both); \$5,990 for multi-user corporate license (includes binder, CD, and Internet access password).

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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