

RESEARCH BULLETIN

MAY 31, 2018

Automotive IC Market on Pace for Third Consecutive Record Growth Year
18.5% forecast increase in 2018 driven by systems monitoring and control, safety, ADAS, convenience, and growth of autonomous driving. Continued rise of memory ASP adds to growth.

Consumer demand and government mandates for electronic systems that improve vehicle performance, that add comfort and convenience, and that warn, detect, and take corrective measures to keep drivers safe and alert are being added to new cars each year. This system growth, along with rising prices for memory components within them, are expected to raise the automotive IC market 18.5% this year to a new record high of \$32.3 billion, surpassing the previous record of \$27.2 billion set last year (Figure 1), according to IC Insights' soon to be released *Update to the IC Market Drivers 2018* report. If the forecast holds, it would mark the third consecutive year of double-digit growth for the automotive IC market.

MORE INFORMATION CONTACT

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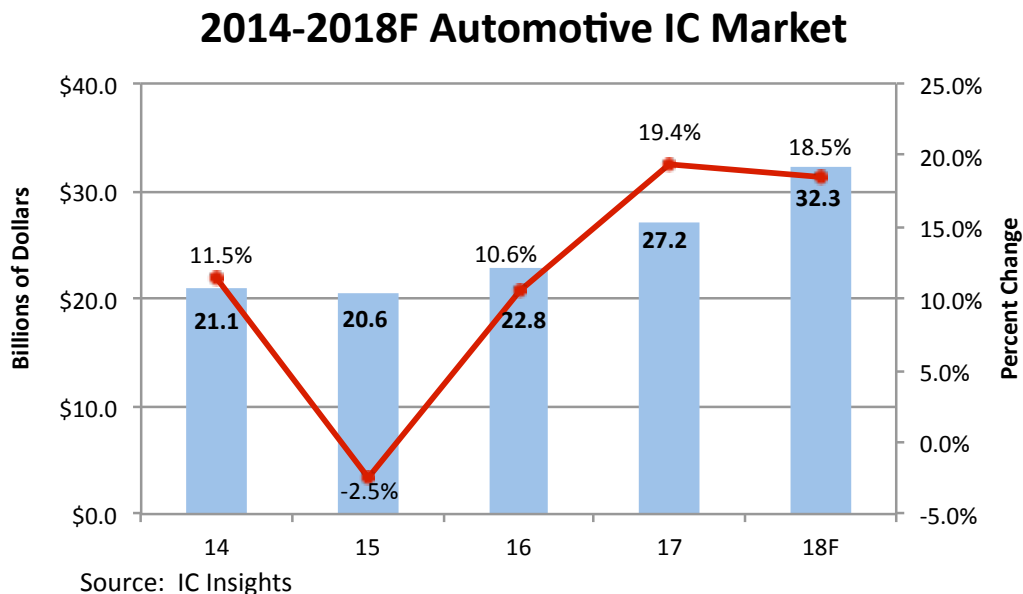


Figure 1

Over the past several years, the global automotive IC market has experienced some extraordinary swings in growth. After increasing 11.5% in 2014, the automotive IC market declined 2.5% in 2015, but then rebounded with solid 10.6% growth in 2016. It is worth noting that the sales decline experienced in 2015

was primarily the result of falling ASPs across all the key automotive IC product categories—microcontrollers, analog ICs, DRAM, flash, and general- and special-purpose logic ICs, which offset steady unit growth for automotive ICs that year.

IC Insights' recently updated automotive IC market forecast shows the automotive IC market growing to \$43.6 billion in 2021, which represents a compound annual growth rate (CAGR) of 12.5% from 2017 to 2021, highest among the six major end-use applications (Figure 2).

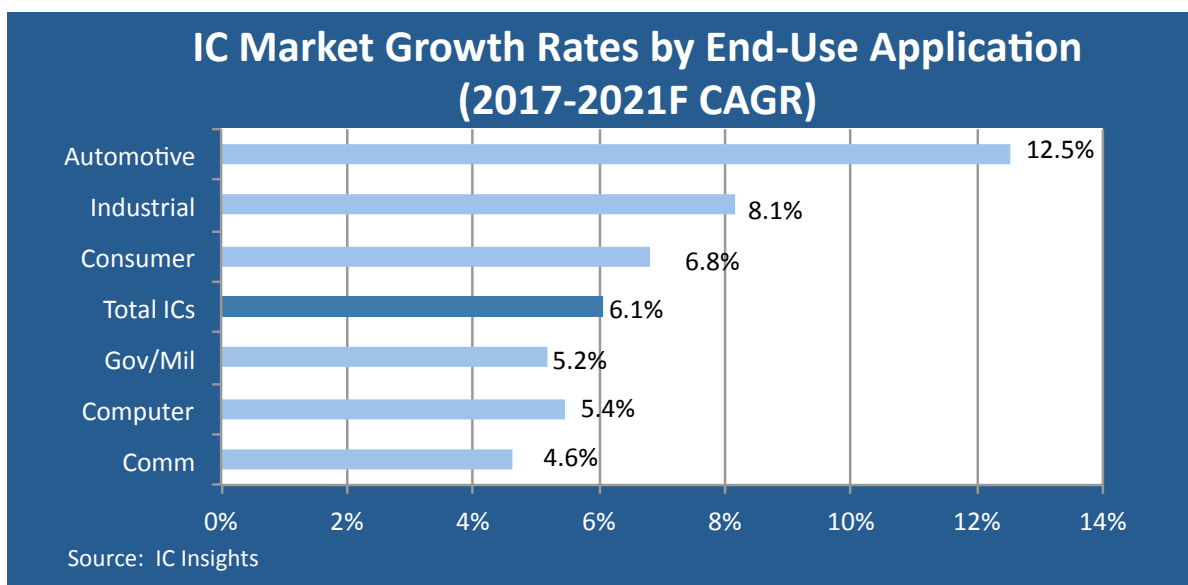


Figure 2

Collectively, automotive ICs are forecast to account for only about 7.5% of the total IC market in 2018, although that share is forecast to increase to 9.3% in 2021. Analog ICs—both general-purpose analog and application-specific automotive analog—are expected to account for 45% of the 2018 automotive IC market, with MCUs capturing 23% share. There are many suppliers of automotive analog devices but a rash of acquisitions among them in recent years has reduced the number of larger manufacturers. Some of the acquisitions that have impacted the automotive analog market include NXP, which acquired Freescale in 2015 and is now itself in the process of being acquired by Qualcomm; Analog Devices, which acquired Linear Technology in March 2017; and Renesas, which acquired Intersil.

Report Details: *IC Market Drivers 2018*

IC Market Drivers 2018—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 of 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 2021. 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 2021. Some of these applications include the automotive market, smartphones, Internet of Things, personal/mobile computing (including tablets), medical and health systems, and a review of many applications to watch like virtual reality, robotics, and drones, that may potentially provide significant opportunity for IC suppliers later this decade. The *2018 IC Market Drivers* report is priced at \$3,690 for an individual-user license and \$6,790 for a multi-user corporate license.

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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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