

# RESEARCH BULLETIN

**JANUARY 16, 2020**

## Global GDP Growth Increasingly Important Driver of IC Market Growth

*The 2019-2024 correlation coefficient is forecast to reach 0.90, up from 0.85 from 2010-2019.*

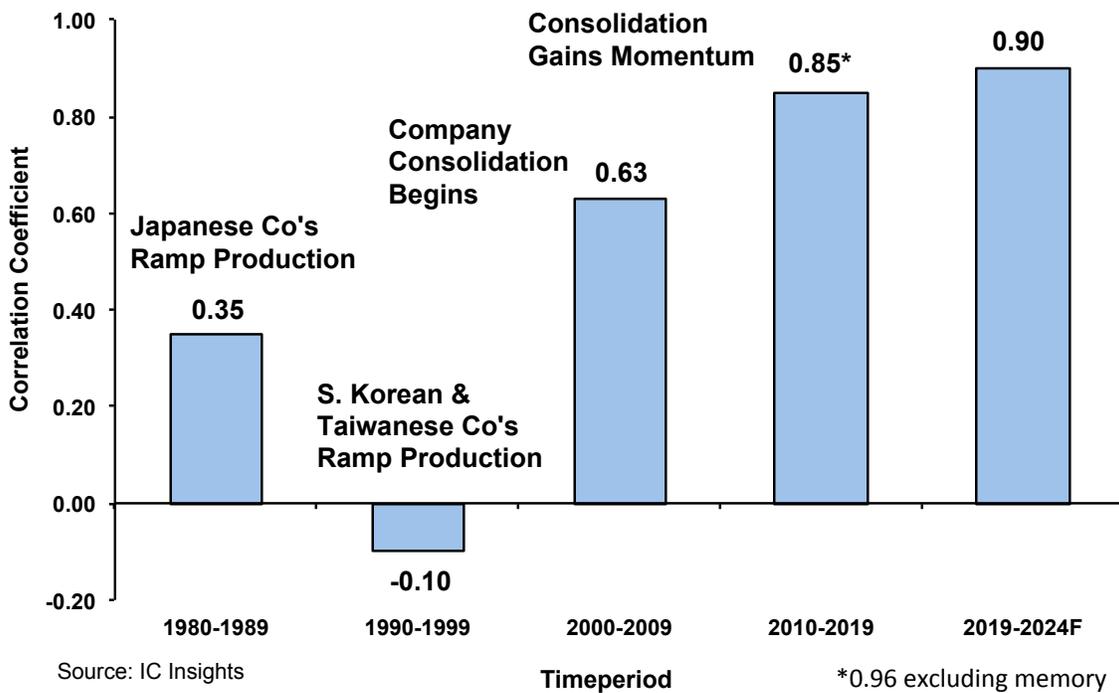
IC Insights is in the process of completing its forecast and analysis of the IC industry and will present its new findings in *The McClean Report 2020*, which will be published later this month. Among the semiconductor industry data included in the new 400-page report is an analysis of the correlation between IC market growth and global GDP growth.

Figure 1 depicts the increasingly close correlation between worldwide GDP growth and IC market growth through 2019, as well as IC Insights' forecast through 2024.

### MORE INFORMATION CONTACT

Bill McClean  
 President  
 Phone: +1-480-348-1133  
 Email: bill@icinsights.com

**Worldwide GDP and IC Market Growth Correlation Coefficient History and Forecast (1980-2024F)**



**Figure 1**

Over the 2010-2019 timeframe, the correlation coefficient between worldwide GDP growth and IC market growth was 0.85 (0.96 excluding the memory market in 2017 and 2018), a strong figure given that a perfect positive correlation is 1.0. In the three decades previous to this timeperiod, the correlation coefficient ranged from a relatively weak 0.63 in the early 2000s to a negative correlation (i.e., essentially no correlation) of -0.10 in the 1990s.

IC Insights believes that the increasing number of mergers and acquisitions, leading to fewer major IC manufacturers and suppliers, is one of major changes in the supply base that illustrates the maturing of the industry and has helped foster a closer correlation between worldwide GDP growth and IC market growth. Another reason for a better correlation between worldwide GDP growth and IC market growth is the continued movement to a more consumer driven IC market. IC Insights believes that 20 years ago, about 60% of the IC market was driven by business applications and 40% by consumer applications with those percentages being reversed today. As a result, with a more consumer-oriented environment driving electronic system sales, and in turn IC market growth, the health of the worldwide economy is increasingly important in gauging IC market trends.

### **Report Details: *The 2020 McClean Report***

Additional information on IC Insights' IC market forecasts through 2024 is included in the 2020 edition of *The McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry*, which will be released in late January 2020. A subscription to *The McClean Report* includes **free** monthly updates from March through November (including a 200+ page *Mid-Year Update*), and **free** access to subscriber-only webinars throughout the year. An individual-user license to the 2020 edition of *The McClean Report* is priced at \$4,990 and includes an Internet access password. A multi-user worldwide corporate license is available for \$7,990.

As part of your 2020 subscription, you are entitled to free attendance at a *McClean Report* half-day seminar (one seat for each copy purchased; company-wide licensees receive five free seats). The remaining schedule for this year's *McClean Report* seminar tour is shown below.

**Tuesday, January 21, 2020 — Scottsdale, Arizona**  
**Thursday, January 23, 2020 — San Jose, California**  
**Tuesday, January 28, 2020 — Boston, Massachusetts**

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)