

# RESEARCH BULLETIN

**APRIL 9, 2020**

## Global IC Market Forecast Lowered From 3% to -4%

*Coronavirus pandemic further reduces worldwide GDP and IC market outlooks.*

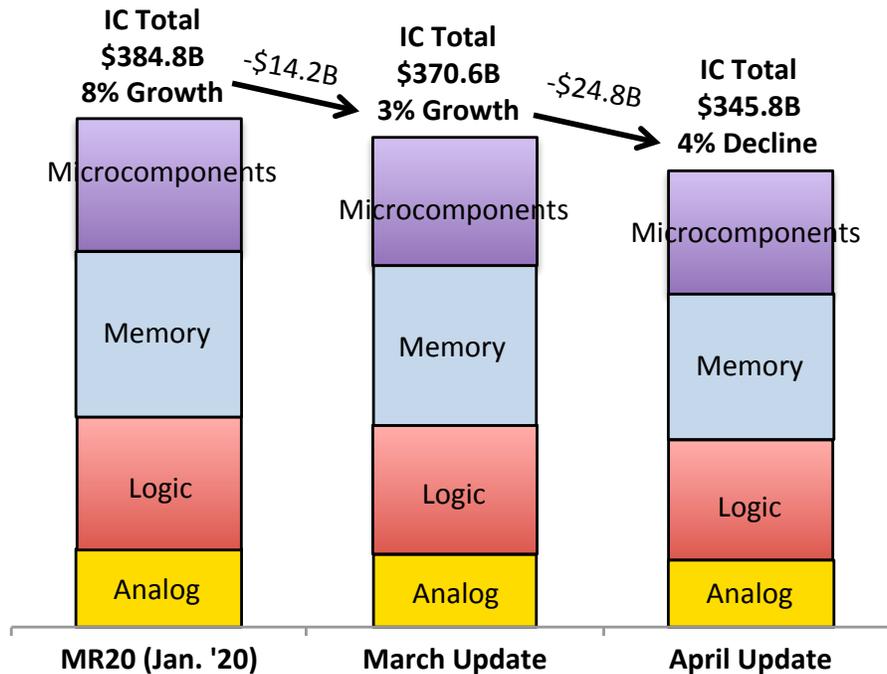
When 2020 started, global economic conditions pointed to single-digit percentage sales growth in the IC market after it fell by 15% in 2019, based on worldwide market data compiled by IC Insights for the 2020 edition of *The McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry (MR20)*. However, the world abruptly changed in 1Q20 with the rapid outbreak of the Covid-19 virus, which shut down nearly all countries and paralyzed global markets beginning in March 2020.

### MORE INFORMATION CONTACT

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Figure 1 depicts the changes made to IC Insights' 2020 total IC market forecasts as compared to the original MR20 forecast presented in January of this year.

### How Covid-19 Outbreak Altered 2020 Outlook



Source: IC Insights

**Figure 1**

As shown, the current worldwide 2020 IC market expectation of \$345.8 billion is \$39.0 billion less than the original *MR20* forecast, which called for an 8% increase this year. A further breakdown of the total IC market and a forecast for each of the 33 IC product categories by market, units, and average selling price through 2024 is presented in the *April Update*.

IC Insights published its *March Update* on March 12. This *Update* included assumptions for the 2020 IC market that considered the potential impact of the coronavirus. When the *March Update* was released, the expectation at that time was that the majority of the impact on the global economy and IC market from Covid-19 would primarily be from market and production disruptions within China. However, the impact of Covid-19 has truly transformed into a worldwide issue with the U.S. and Europe now being the “hotspots” of this highly infectious and deadly virus. The data shown below illustrates how quickly things changed in the U.S. in just the past four weeks.

- **March 12, 2020 (IC Insights’ *March Update* released):**  
**U.S. cases of Covid-19: 1,630; U.S. deaths attributed to Covid-19: 41**
- **April 9, 2020:**  
**U.S. cases of Covid-19: 454,615; U.S. deaths attributed to Covid-19: 16,074**

As shown in Figure 1, IC Insights’ current baseline forecast for the IC market in 2020 calls for a 4% drop. Moreover, global GDP is now expected to post a decline this year that is at least as deep as the 2.1% drop that was registered in 2009. How rare is a decline in worldwide GDP? Before 2009, the previous year that global GDP went negative was 1946, 63 years ago!

If you’ve not already done so, now would be an excellent time to stay current with the latest developments and changing IC market conditions in this extremely uncertain year by subscribing to *The McClean Report 2020*, IC Insights’ flagship market research report and analysis of the IC Industry. Updates to *The McClean Report* will be released each month through November of this year.

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

Additional details on IC market trends are provided in the 2020 edition of *The McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry*. 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.

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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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