

RESEARCH BULLETIN

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Communications Systems Forecast to Drive Regional IC Sales

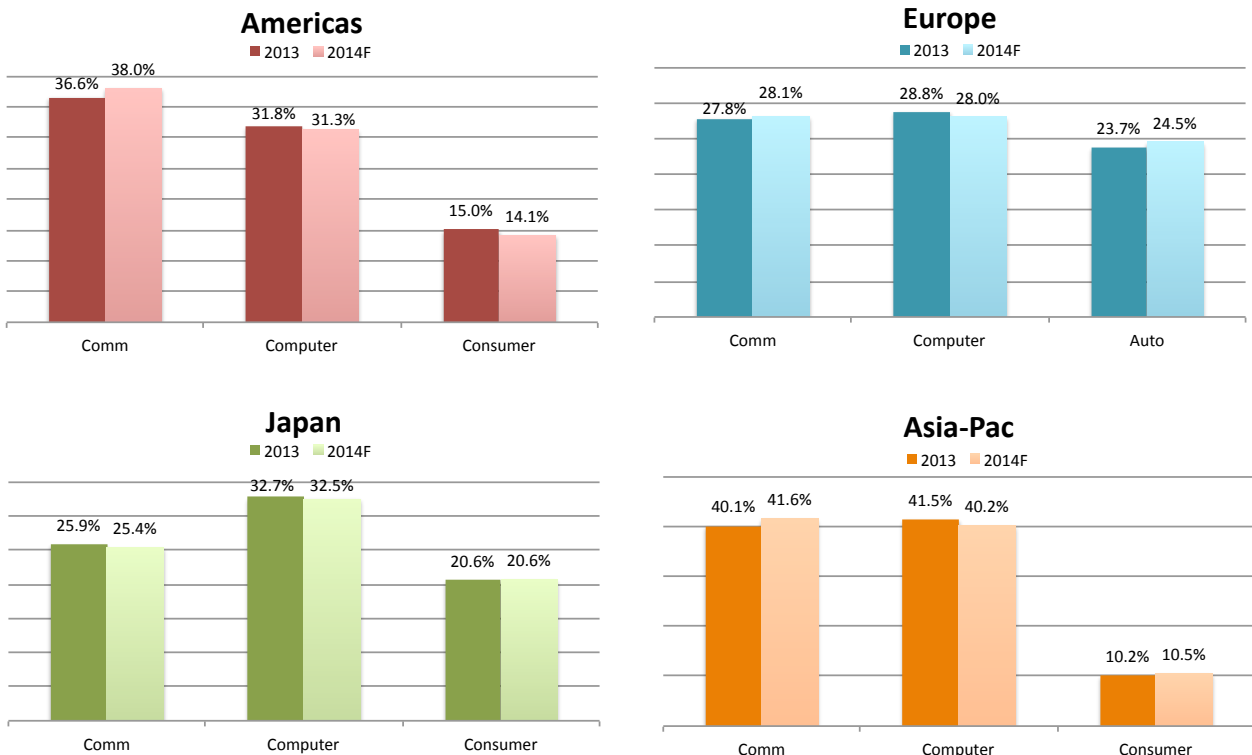
Computer end-use systems remain a stronghold in Japan, automotive apps big in Europe.

Communications systems are forecast to be the driving force for IC sales in three out of the four major global geographic regions and overtake computer systems to become the largest system application for ICs for the first time in 2014, according to data found in the 2014 edition of IC Insights' *IC Market Drivers, A Study of Emerging and Major End-Use Applications Fueling Demand for Integrated Circuits*. Figure 1 shows that communications systems are forecast to be the largest application for ICs in the Americas, Europe, and Asia-Pacific regions in 2014. In Japan, computer systems are forecast to remain the largest end-use application for IC sales.

MORE INFORMATION CONTACT

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Regional IC Consumption by System Type



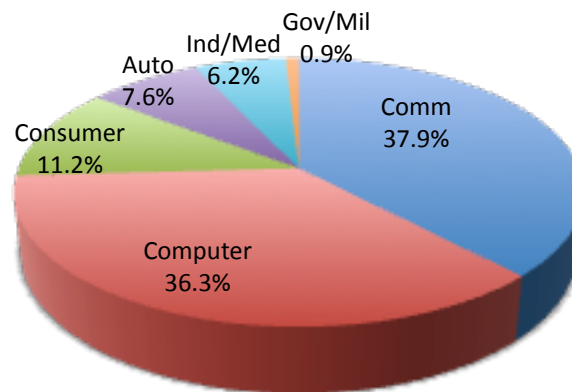
Source: IC Insights

Figure 1

Communications, computer, and consumer are forecast to be the three largest end-use categories for ICs in each geographic region except Europe. These three system applications are forecast to account for 83.4% of IC sales in the Americas in 2014, 78.5% of IC sales in Japan, and 92.3% of IC sales in Asia-Pac. In Europe, automotive systems are still a key driver for IC sales and are forecast to account for nearly one-quarter of IC sales this year. Communications, computer, and automotive applications are forecast to represent 80.6% of IC sales in Europe this year.

For years, computer applications were the largest market for IC sales but that is forecast to change in 2014 as the global communications IC market surpasses computer IC sales for the first time. Globally, communications systems are forecast to represent 37.9% of the \$285.9 billion IC market this year compared to 36.3% for computers, 11.2% for consumer, 7.6% for automotive, 6.2% for industrial, and 0.9% for government/military applications (Figure 2).

2014 Total IC Usage by System Type (\$285.9B, Fcst)



Source: IC Insights

Figure 2

From 2011 to 2017, the percentage of total IC sales to the communications and computer markets has been, and is expected to remain, fairly constant at 73-75%, however the mix is forecast to change significantly. In 2011, 41.1% of global IC revenue came from sales to the computer market compared to 32.1% from communications systems. By 2017, communications applications are forecast to account for 41.8% of IC sales compare to 32.7% for computing systems.

Report Details: *IC Market Drivers 2014*

IC Market Drivers 2014—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 for 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 2017. 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 2017. Some of these applications include the automotive market, cellular phones (including smartphones), personal/mobile computing (including tablets), wireless networks, digital imaging, and a review of many applications to watch—those that may potentially provide significant opportunity for IC suppliers later this decade. The *2014 IC Market Drivers* report is priced at \$3,290 for an individual-user license and \$6,390 for a multi-user corporate license.

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