RESEARCH BULLETIN

IC Insights

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Personal Computing Units Rising Despite Drop in Desktops, Notebooks

Tablet and Internet/cloud system shipments forecast to drive total unit growth 12% in 2014.

With touch-screen tablet computers dominating growth across the entire personal computing market, total shipments of personal computing systems (desktops, notebooks, tablets, and Internet/cloud units) are forecast to rise 12% in 2014 to 585 million units compared to 521 million in 2013. A 9% increase to 639 million computers is forecast for 2015 (Figure 1).

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Standard PC shipments (desktops and notebooks) plunged 9% in 2013 from an all-time high of 345 million in 2012. The market for standard PCs continues to be sluggish in 2014, causing IC Insights to forecast a 5% decline for these systems to 298 million this year. A small increase of 1% to 302 million systems is now forecast for 2015.

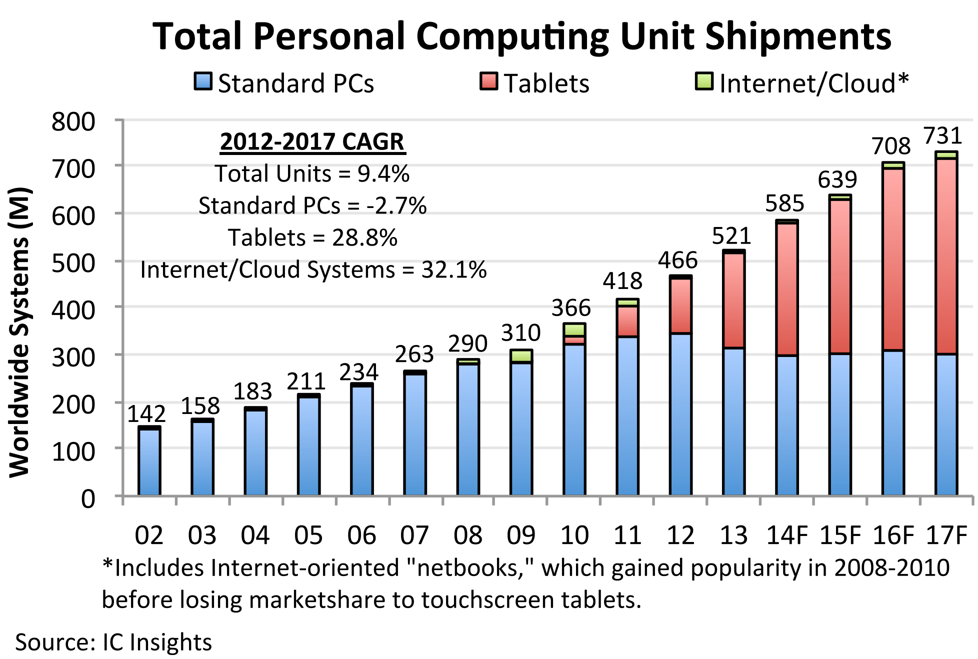

Figure 1

IC Insights expects tablet shipments to grow 39% in 2014 to 281 million units, followed by a 16% increase in 2015 to 327 million. Shipments of Internet/cloud-computing "thin-client" units are also forecast to grow—increasing 22% in 2014 to about 6 million units worldwide followed by a 56% increase to nearly 10 million in 2015.

Between 2012 and 2017, total personal computing systems shipments are now projected to rise by a compound annual growth rate (CAGR) of 9.4%, reaching 731 million units in the final year of IC Insights' forecast. Excluding tablets and thin-client cloud-computing systems, shipments of standard PCs (desktops and notebooks) are expected to decline by a CAGR of -2.7% over the five-year period.

Clearly personal computing has forever changed with growth of tablets and other new platforms now superseding standard keyboard-based PCs. Tablets and Internet/cloud-computing platforms are not only making up for declines in PC unit sales but also maintaining historical growth patterns in personal computing systems during changing economic cycles.

Despite valid concerns about tablet unit sales slowing due to the emergence of large-screen smartphones and owners waiting longer to replace their tablets with new ones, IC Insights continues to expect tablet shipments to increase by a CAGR of 28.8% in between 2012 and 2017.

When measured in sales, the overall market growth of personal computing systems is expected to be much slower than unit shipments due to steady declines in average selling prices for standard PCs and cheaper "mini-tablets" with screen sizes between 7-9 inches compared to larger tablets with displays measuring 9-12 inches.

In terms of revenue, IC Insights is now forecasting total personal computing systems sales (standard PCs, tablets, and Internet-centric/cloud-computing units) to grow 5.0% in 2014 to $295 billion. Between 2012 and 2017, the total personal computing market is projected to rise by a CAGR of 3.4% with worldwide revenues reaching $327 billion in the final year of the forecast.

Report Details: *IC Market Drivers 2014*

Additional details on PC shipment trends are provided in *IC Market Drivers 2014—A Study of Emerging and Major End-Use Applications Fueling Demand for Integrated Circuits. IC Market Drivers* 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 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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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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