

**MAY 28, 2015**

## **Tablet Shipments Lose Momentum; Total PC Unit Forecast Downgraded**

*Sales of large-screen smartphones erode shipments of new tablets.*

IC Insights will release its *Update* to the 2015 *IC Market Drivers* report in June. The *Update* includes revisions to IC market conditions and forecasts for the 2015-2018 automotive, smartphone, personal computer and tablet markets, as well as an update to the market for the Internet of Things. This bulletin reviews IC Insights' 2015 unit shipment forecast for total personal computing unit shipments.

Five years ago touchscreen tablets began pouring into the personal computing marketplace, stealing growth from standard personal computers and signaling the start of what has been widely described as the "post-PC" era. Led by Apple's iPad systems, tablet shipments overtook notebook PCs in 2013, and it appeared as if they would surpass total personal computer units (counting both desktop and portable systems) by 2016. However, that scenario no longer seems possible after tablet growth lost significant momentum in 2014 and then nearly stalled out in the first half of 2015 due to the rise in popularity of large-screen smartphones and the lack of interest in new tablets that do not add enough features or capabilities to convince existing users to buy replacements. Consequently, IC Insights has downgraded its forecast for the overall personal computing market, including much lower growth in tablets and continued weakness in standard PCs (Figure 1).

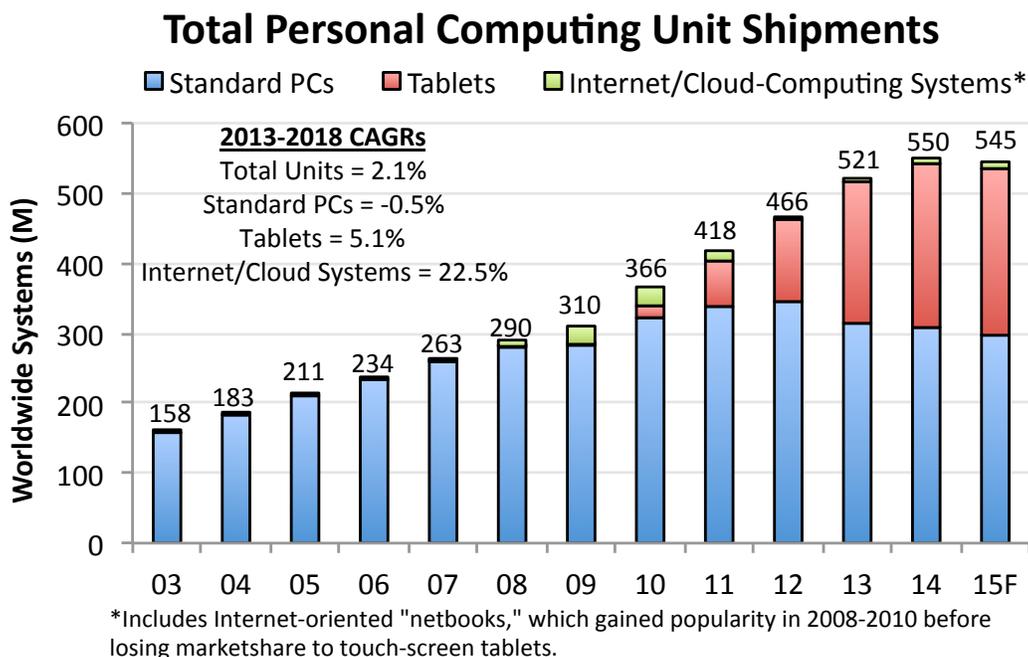
The updated forecast shows total personal computing unit shipments (desktop PCs, notebook PCs, tablets, and Internet/cloud-computing "thin-client" systems) dropping 1% in 2015 to 545 million. In the original forecast of the 2015 *IC Market Drivers* report (MD15), total personal computing system shipments were projected to rise 8% in 2015 to 609 million units, followed by a 10% increase in 2016 to 670 million. The revised outlook cuts the compound annual growth rate (CAGR) of personal computing unit shipments to 2.1% between 2013 and 2018. Total personal computing system shipments are now projected to reach 578 million in 2018.

Worldwide shipments of keyboard-equipped standard PCs (desktops and notebooks) peaked in 2012 at 345 million, but they are expected to decline by a CAGR of -0.5% in the 2013-2018 timeperiod. In the updated outlook, tablets are projected to account for 45% of total systems sold in 2018 (259 million units) versus the MD15's original forecast of 57% (423 million) that year. Further into the future, tablets are

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now expected to account for about half of personal computing system shipments with the remaining units being divided between standard PCs and Internet/cloud-centric platforms.



Source: IC Insights

**Figure 1**

## Report Details: *The 2015 IC Market Drivers Report*

Additional details on the IC market for medical and wearable electronic is included in the 2015 edition of IC Insights' *IC Market Drivers—A Study of Emerging and Major End-Use Applications Fueling Demand for Integrated Circuits*. This report 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 2018. In Part 2, *IC Market Drivers* examines and evaluates key existing and emerging end-use applications that will support and propel the IC industry through 2018. Some of these applications include the Internet of Things, automotive electronics, 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. *IC Market Drivers 2015* is priced at \$3,390 for an individual-user license and \$6,490 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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