

# RESEARCH BULLETIN

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## Cellular Handset IC Market CAGR Forecast at 6.7% Through 2019

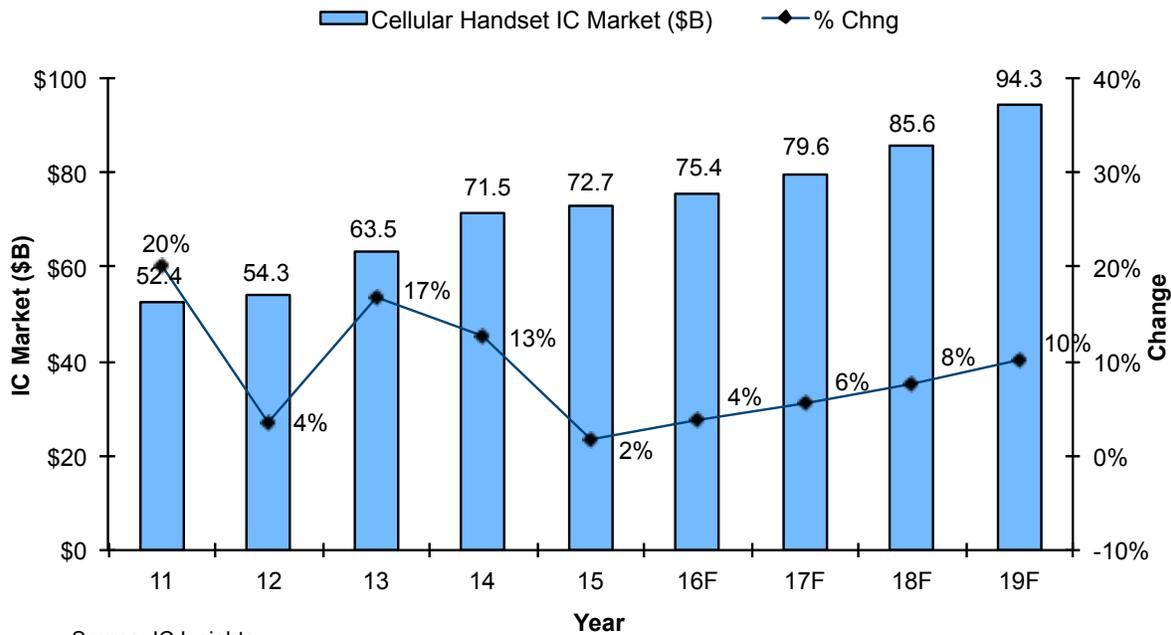
*Cellphone IC market CAGR to exceed total IC market CAGR by 3.0 points through forecast.*

The increasing value of the average IC content in cellular handsets along with the increasing percentage of smartphones sold as a percent of total cellular handsets will help drive the cellphone IC market to \$94.3 billion in 2019. Strong double-digit growth rates in the cellular handset IC market were logged in 2013 and 2014 but only a 2% increase was registered in 2015. Despite the expected increase of 4% in 2016, the 2015-2019 total cellphone IC market CAGR is forecast to be 6.7%, 3.0 points higher than the 3.7% CAGR forecast for the total IC market during this same time. The \$94.3 billion 2019 cellphone IC market is forecast to be about 30% higher than the level registered in 2015.

### MORE INFORMATION CONTACT

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

### Cellular Handset IC Market



Source: IC Insights

**Figure 1**

In 2015, the IC product segment that had the highest average content per cellphone was the MPU category (\$9.92), which includes the application processors used in smartphones. The second highest was the application specific logic segment, which had an average \$8.55 of IC content per cellular handset. In total, there was an average of \$38.78 worth of ICs in a 2015 cellular handset.

DRAM memory held 59% (\$12.3 billion) of the total cellphone memory market in 2015, with NAND flash representing most of the remainder of the market. The \$21.0 billion cellphone memory market in 2015 was driven by the surge in shipments of memory-rich high-end smartphones and the 6% increase in the cellphone DRAM market.

The average analog content in a cellphone increased in 2015 to \$6.64 while the total cellphone analog IC market increased by 8%, six points better than the 2% growth rate experienced by the total 2015 analog IC market. Application specific analog, mostly comprised of mixed-signal devices, represented about 83% of the total \$12.5 billion 2015 cellular handset analog IC market.

In 2019, as the market shifts more toward low-end smartphones, the cellphone MPU market is expected to represent 23% of the total cellphone IC market, down two points from 26% in 2015. Moreover, the cellphone DRAM memory market in 2019 is forecast to reach \$19.9 billion and be more than 2x larger than the total flash cellphone IC market (\$9.5 billion) in that year. In contrast to the high-growth cellphone DRAM market, the 2019 cellphone DSP market is forecast to be less than \$0.1 billion, down from \$1.3 billion in 2012.

### **Report Details: *The 2016 IC Market Drivers Report***

Additional details on the market for cellular phones and cellphone ICs is included in the 2016 *Update* 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 through the end of this decade.

*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 2019. 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 2019. Other system application covered include the Internet of Things, smartphones, personal/mobile computing (including tablets), servers, medical/wearable devices, and a review of many applications to watch—those that may potentially provide significant opportunity for IC suppliers later this decade. *IC Market Drivers 2016* is priced at \$3,490 for an individual-user license and \$6,590 for a multi-user corporate license.

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**Web Site:** [www.icinsights.com](http://www.icinsights.com) • **Phone:** +1-480-348-1133 • **E-mail:** [info@icinsights.com](mailto:info@icinsights.com)