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## **IoT and Automotive to Drive IC Market Growth Through 2020**

*New report also projects good IC sales increases in medical electronics, digital TVs, and servers.*

Integrated circuit sales for connections to the Internet of Things are forecast to grow more than three times faster than total IC revenues during the last half of this decade, according to IC Insights' new *2017 Integrated Circuit Market Drivers* report. ICs used to embed Internet of Things (IoT) functionality into a wide range of systems, sensors, and objects are expected to generate sales of \$12.8 billion in 2016, says the new report, which becomes available this week.

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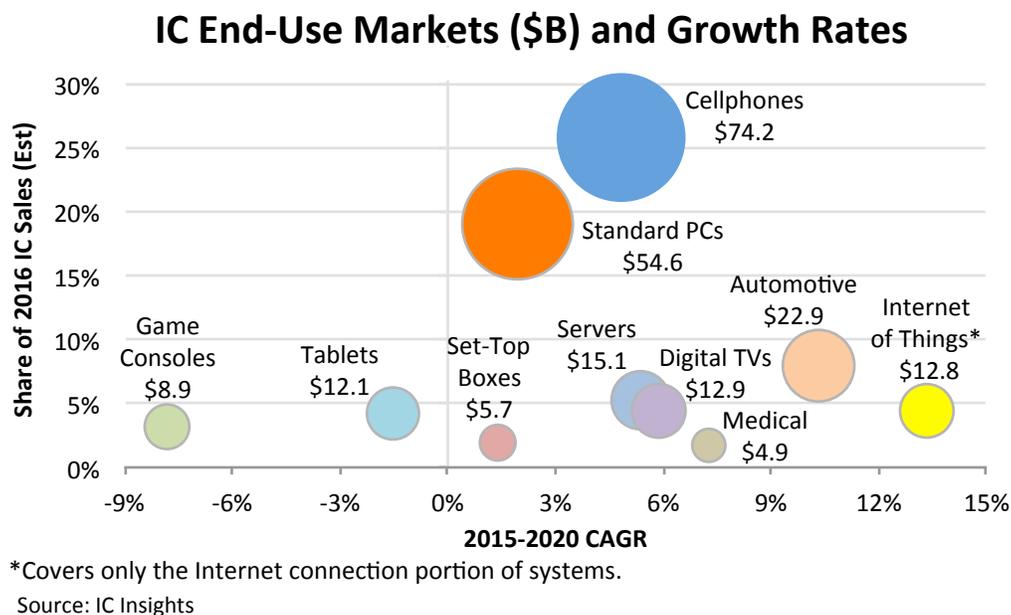
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Between 2015 and 2020, IoT integrated circuit sales are projected to rise by a compound annual growth rate (CAGR) of 13.3% compared to 4.3% for the entire IC market, which is projected to reach \$354.7 billion in four years versus \$287.1 billion last year, based on the forecast in the **492-page** report. As shown in Figure 1, strong five-year IC sales growth rates are also expected in automotive (a CAGR of 10.3%), medical electronics (a CAGR of 7.3%), digital TVs (a CAGR of 5.9%), and server computers (a CAGR of 5.4%).

Cellphone IC sales—the biggest end-use market application for integrated circuits—are expected to grow by a CAGR of 4.8% in the 2015-2020 period. Saturation in smartphone markets and economic weakness in some developing regions are expected to curb cellphone IC market growth in the next four years after sales increased by a CAGR of 10.8% between 2010 and 2015. Meanwhile, weak and negative IC sales growth rates are expected to continue in standard personal computers, set-top boxes, touchscreen tablets, and video game consoles.

The new *2017 IC Market Drivers Report* shows 2016 integrated circuit sales for IoT applications climbing nearly 19% compared to 2015 to an estimated \$12.8 billion, followed by the automotive segment increasing about 12% to \$22.9 billion, medical electronics rising 9% to \$4.9 billion, and digital TV systems growing 4% to \$12.9 billion this year. The report estimates IC sales growth in server computers being about 3% in 2016 to \$15.1 billion, cellphones being 2% to \$74.2 billion, and set-top boxes being 2% to \$5.7 billion. Meanwhile, standard PC integrated circuit sales are estimated to be down 5% in 2016 to

\$54.6 billion while video game console IC revenues are expected to finish this year with a 4% drop to \$8.9 billion and tablet IC sales are on track to decline 10% to \$12.1 billion in 2016, according to IC Insights' new report.



**Figure 1**

## Report Details: *IC Market Drivers 2017*

*IC Market Drivers 2017—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 of new applications that are expected to help fuel the market for ICs through 2020.

*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 2020. 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 2020. Some of these applications include the automotive market, smartphones, Internet of Things, personal/mobile computing (including tablets), medical and health systems, and a review of many applications to watch like virtual reality, robotics, and drones, that may potentially provide significant opportunity for IC suppliers later this decade. The *2017 IC Market Drivers* report is priced at \$3,690 for an individual-user license and \$6,790 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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