

RESEARCH BULLETIN

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IC Unit Shipments Forecast to Display First-Ever Back-to-Back Decline

A rare decline in IC unit shipments in 2019 expected to be followed by another drop in 2020.

Using its “baseline” assumptions shown in the *April Update* to the 2020 edition of *The McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry (MR20)*, IC Insights forecasts that worldwide IC unit shipments will register their first-ever back-to-back annual decline in 2020.

From 2013 through 2018, IC unit shipments were on a respectable growth path with an 8% increase logged in 2013, a 9% jump registered in 2014, a 5% increase displayed in 2015, a 7% increase shown in 2016, a double-digit growth rate of 15% in 2017, and a 10% increase in 2018. In contrast to the double-digit increases in 2017 and 2018, 2019 marked only the fifth time in the history of the IC industry that IC unit shipments registered a decline (Figure 1).

MORE INFORMATION CONTACT

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Top Ten Best and Worst Years of IC Unit Volume Growth Since 1980

| Best Years | Year | Percent Growth | Worst Years | Year | Percent Change | Year After the Worst Year | Percent Change |
|------------|------|----------------|-------------|-------------|----------------|---------------------------|----------------|
| 1 | 1984 | 50% | 1 | 2001 | -21% | 2002 | 15% |
| 2 | 2010 | 29% | 2 | 1985 | -16% | 1986 | 18% |
| 3 | 2000 | 27% | 3 | 2009 | -7% | 2010 | 29% |
| 4 | 1983 | 23% | 4 | 2019 | -6% | 2020F | -3% |
| 5 | 1997 | 22% | 5 | 2012 | -1% | 2013 | 8% |
| 6 | 1980 | 20% | 6 | 1981 | 0% | 1982 | 16% |
| 7 | 2006 | 18% | 7 | 1992 | 0% | 1993 | 14% |
| 8 | 1986 | 18% | 8 | 1998 | 1% | 1999 | 16% |
| 9 | 2004 | 17% | 9 | 2011 | 1% | 2012 | -1% |
| 10 | 1982 | 16% | 10 | 2008 | 2% | 2009 | -7% |

Source: WSTS, IC Insights

Figure 1

Before last year, the previous four years that IC unit shipments declined were 1985, 2001, 2009, and 2012. Two of the four years in which IC unit volumes declined (1985 and 2001) were preceded by big increases (spurred on by inventory builds) of IC unit shipments—50% in 1984 and 27% in 2000. Although there was only a 2% increase in IC unit shipments in 2008, and there was not an excessive amount of inventory to purge, the depth of the global recession and its negative impact on electronic system sales caused the third annual IC unit decline in history in 2009 (-7%).

IC Insights' baseline forecast for global IC market growth for 2020 now stands at -4% with total IC unit shipments are expected to decline by 3% this year. ***If this forecast comes to fruition, IC Insights believes it would be the only back-to-back annual IC unit shipment declines in the history of the IC industry.***

Report Details: *The 2020 McClean Report*

Additional details on IC market trends are provided in the 2020 edition of *The McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry*. A subscription to *The McClean Report* includes **free** monthly updates from March through November (including a 200+ page *Mid-Year Update*), and **free** access to subscriber-only webinars throughout the year. An individual-user license to the 2020 edition of *The McClean Report* is priced at \$4,990 and includes an Internet access password. A multi-user worldwide corporate license is available for \$7,990.

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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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