

# RESEARCH BULLETIN

**SEPTEMBER 10, 2020**

## Total Microprocessor Sales to Edge Slightly Higher in 2020

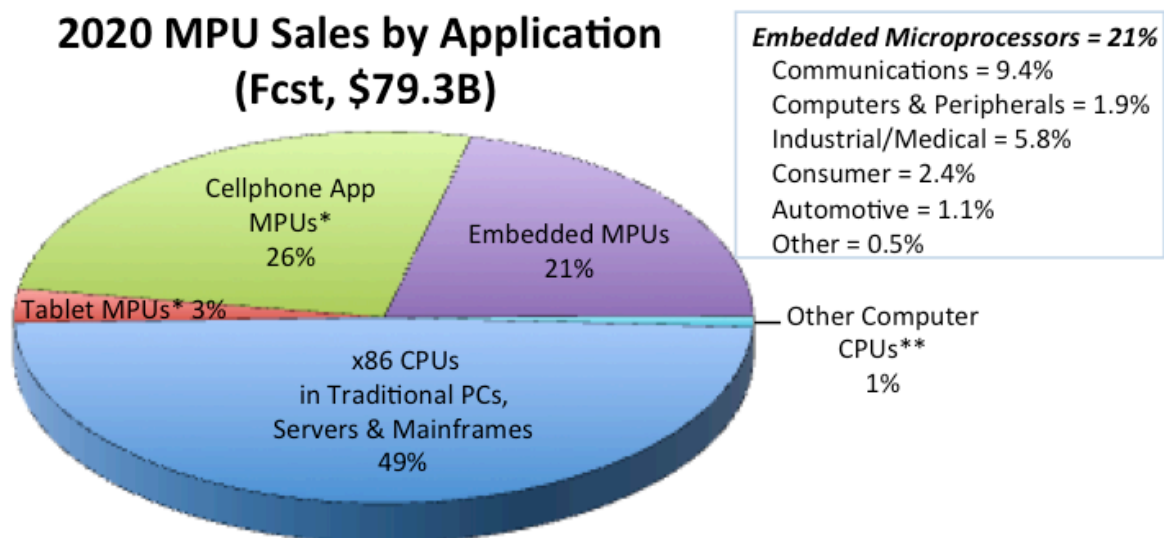
*Sales expected to strengthen in 2021 with embedded processors and computer CPUs leading the growth.*

Total microprocessor sales are forecast to grow 1.4% in 2020 to nearly \$79.3 billion, following a 2.4% decline in 2019, which was the first revenue drop in the worldwide MPU market in 10 years, according to data released in IC Insights' *Mid-Year Update* to the *2020 McClean Report*. The mid-year forecast shows total MPU sales strengthening with an 8.8% increase in 2021 to reach a new record high annual level of about \$86.3 billion, under the assumption that vaccines become available for the Covid-19 virus and the health crisis diminishes in most regional markets next year.

### MORE INFORMATION CONTACT

Rob Lineback  
Senior Market Research Analyst  
Phone: +1-817-731-0424  
Email: rob@icinsights.com

Figure 1 divides the 2020 microprocessor market by end-equipment categories, based on the *Mid-Year Update* forecast.



\*Includes ARM-based and x86 processors. \*\*Includes ARM-based and other RISC processors.

Source: IC Insights

**Figure 1**

Within the microprocessor market, sales of central processing units (CPUs) used in traditional PCs, tablets, servers, supercomputers, and all other types of computers are benefitting from increased Internet usage during the global Covid-19 virus health crisis. IC Insights expects sales in this segment to rise 2.2% to \$41.7 billion this year and account for 52% of the total MPU market. About 49% of total MPU sales this year (\$38.6 billion) are expected to be generated by microprocessors built with the x86 architecture and sold by Intel and rival Advanced Micro Devices for traditional PCs, servers, and large computers. MPUs in touchscreen tablet computers—most of which are ARM-based system-on-chip (SoC) processors—are expected to account for 3% of total MPU sales in 2020 (\$2.3 billion), while computer CPU microprocessors made with architectures other than x86-based cores are forecast to be 1% of the total (\$750 million).

Cellphone application processors—nearly all built with RISC-computing cores and technology licensed from ARM in the U.K.—are expected to account for 26% of total MPU revenue in 2020. On account of the economic fallout from the deadly coronavirus pandemic, sales of application processors for smartphones are expected to decline 3% to \$20.9 billion this year. However, smartphones sales are expected to gradually improve in 4Q20, especially with demand growing for fifth-generation (5G) handsets.

IC Insights forecasts that 21% of MPU sales this year will be generated by MPUs used in embedded-processing systems including automotive applications (passenger cars, trucks, and buses), data networking and communications equipment, industrial and medical systems, and consumer products. The embedded-processor portion of the MPU market is expected to climb 5.0% to \$16.7 billion in 2020.

### **Report Details: *The 2020 McClean Report***

Additional details on IC market trends are provided in *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 the 180+ page *Mid-Year Update*), and **free** access to subscriber-only webinars throughout the year. An individual-user license to *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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