

RESEARCH BULLETIN

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Microprocessor Sales Will Continue Double-Digit Growth in 2021

The total MPU market is on track to exceed \$100 billion for the first time ever this year, thanks to strong increases in cellphone application processor revenues, says Mid-Year Update.

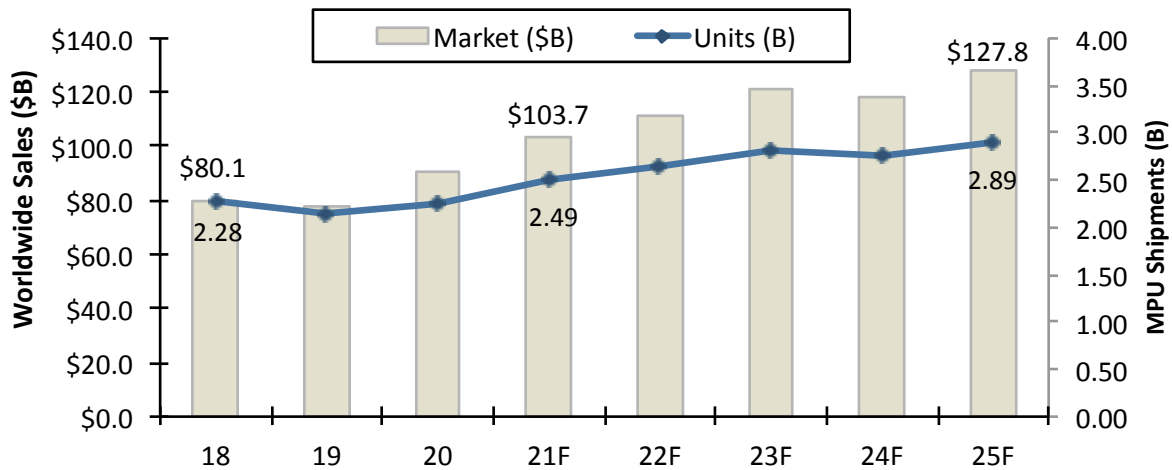
Microprocessor sales are maintaining strength in 2021 after climbing 16% last year in the midst of the global Covid-19 virus health crisis that drove up the world’s reliance on the Internet during the pandemic. IC Insights’ recently released *Mid-Year Update to The McClean Report 2021* now projects MPU sales to increase 14% in 2021, which will lift the total microprocessor market to a record-high \$103.7 billion, compared to a 9% increase that was expected in January.

MORE INFORMATION CONTACT

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The *Mid-Year Update* raises the projection of MPU unit growth to 11% this year. With MPU shipments reaching 2.5 billion units and the average selling price (ASP) expected to rise 4% in 2021, annual microprocessors sales are forecast to exceed \$100.0 billion for the first time ever this year (Figure 1).

Total Microprocessor Market History and Forecast



Source: IC Insights

Figure 1

The 2021 *Mid-Year Update* also lifts IC Insights’ five-year revenue forecast for microprocessors to a compound annual growth rate (CAGR) of 7.1%, which will put sales volume at \$127.8 billion in 2025 compared to about \$90.7 billion in 2020.

Increasing reliance on the Internet during the Covid-19 virus pandemic resulted in a strong wave of growth in large-screen, high-end smartphones—many of them being 5G handsets—which caused an upsurge of revenue for cellphone application processors in 2020. The *Mid-Year Update* shows cellphone application processor sales strengthening and climbing 34% in 2021 to \$35.7 billion. Cellphone application processor shipments are now expected to rise 11% in 2021 and the ASP for these processors by 20% this year. Smartphone MPU prices are climbing because of the integration of 5G modems, more 64-bit CPUs on chip, higher performance in graphics/video cores, and accelerators for artificial intelligence (AI), machine learning, and advanced cameras (some capable of capturing 3D images).

Amazingly, sales of computer CPU microprocessors grew 14% in 2020—the highest increase for this MPU market segment in 10 years. Portable personal computer demand shot up in 2020 because more workers, students, and consumers needed Internet access while being isolated at home during the pandemic. The *Mid-Year Update* lowers the projected growth rate of computer CPU processor sales to 4% this year to a record high of nearly \$48.4 billion. The mid-year forecast shows shipments of computer CPU processors increasing 6% in 2021 after being up 12% in 2020.

In the embedded processor segment, the *Mid-Year Update* trims the sales forecast to 11% growth for 2021 partly because of some MPU shortages during the economic rebound this year. Sales of embedded MPUs, which cover a broad range of system applications such as the Internet of Things, automotive, industrial, medical, consumer, telecom, and networking equipment, are now expected to reach \$19.7 billion this year with unit shipments growing 12% worldwide, according to IC Insights' *Mid-Year Update*.

Report Details: The 2021 McClean Report

The 2021 edition of *The McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry* was released in January 2021. A subscription to *The McClean Report* includes **free** monthly updates from March through November (including a 180+ page *Mid-Year Update*), and **free** access to subscriber-only pre-recorded webcasts through November. An individual user license to the 2021 edition of *The McClean Report* is available for \$5,390 and a multi-user worldwide corporate license is available for \$8,590. The Internet access password and the information accessible to download will be available through November 2021.

<https://www.icinsights.com/services/mcclean-report/pricing-order-forms/>

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