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Automotive IC Market to Display Strongest Growth Through 2019

Systems that assist, automate, and communicate are increasing IC content on new luxury and base model vehicles.

Later this month, IC Insights will release its new *2016 IC Market Drivers Report*. The report contains analyses on automotive electronics, the Internet of Things, tablet PCs, smartphones, medical and health systems, and several other mature and emerging electronic systems.

The upcoming *IC Market Drivers Report* finds that from 2014 through 2019, the automotive IC market is forecast to increase at an average annual growth rate of 6.7%, highest among the six major end-use IC applications (computer, consumer, communications, automotive, industrial/medical, and government/military), and greater than two points more than the 4.3% CAGR forecast for the total IC industry over this same time period (Figure 1).

MORE INFORMATION CONTACT

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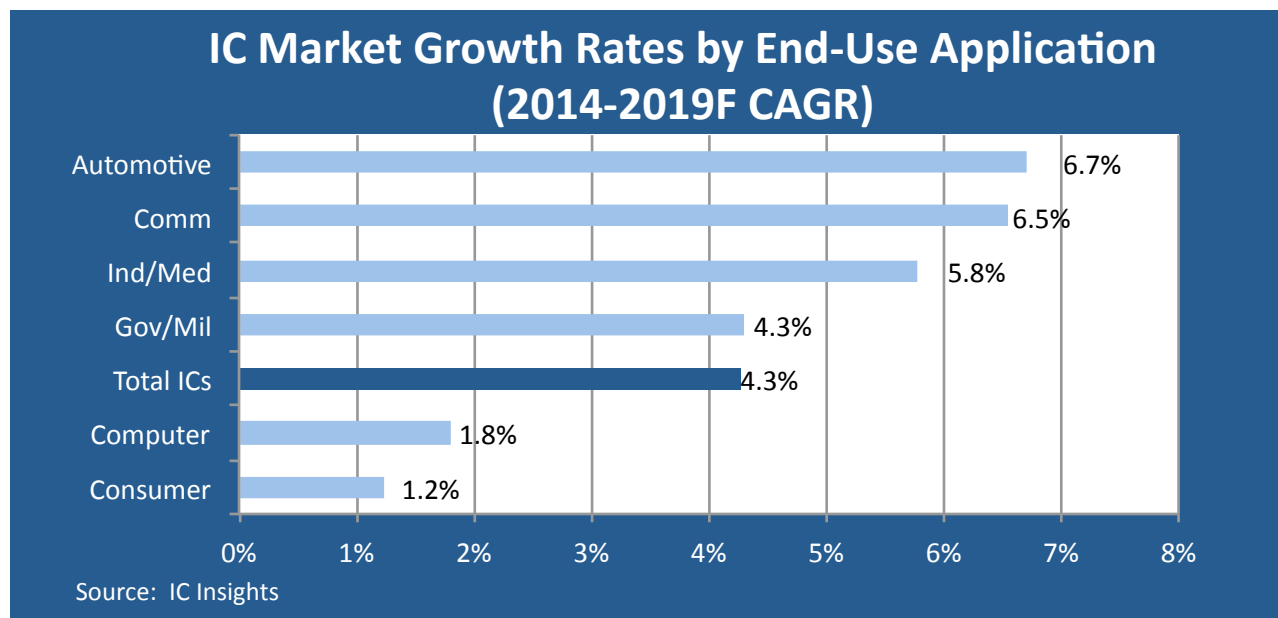


Figure 1

The strong CAGR for automotive ICs is partly due to the fact that this market is growing from a smaller base compared to the communications, computer, and consumer segments and partly because a steady and significant increase in IC content is expected onboard all new cars—luxury level to base models—throughout the forecast period.

Systems that provide partial or high automation and that may eventually lead to fully autonomous vehicles are boosting total IC content per automobile. The computation load of next-generation advanced driver assistance systems (ADAS) jumps very quickly with every attempt to widen the sensing range, boost detection precision, and execute more powerful algorithms to respond quickly and effectively to many different driving conditions.

In 2015, IC Insights estimates that automotive IC sales will represent 7.3% of the total \$287.1 billion IC market. Yet, despite growing at a faster annual rate than other end-use segments, automotive IC sales are not forecast to account for much more of the total IC market than they do today. The automotive IC market is forecast to represent 8.1% of the total \$358.7 billion IC market in 2019. Falling average selling prices continue to offset steady unit growth—particularly among automotive analog, MCU, and special purpose logic devices—which has mitigated bigger gains in auto's share of the total IC market.

Other highlights about the automotive IC market revealed in the new *2016 IC Market Drivers Report* include the following:

- After registering a 1% decline in 2015, the automotive IC market is forecast to grow 7% to \$22.2 billion in 2016, and continue increasing to \$29.2 billion in 2019.
- IC Insights expects Asia-Pacific to surpass Europe as the largest market for automotive ICs in 2015 and is forecast to be the strongest region for automotive IC market growth through 2019 (10.4% CAGR).
- Analog ICs (44%) and MCUs (30%) are forecast to remain the two largest IC product categories within the 2015 automotive IC market.
- The automotive memory IC market is forecast to more than double from an estimated \$1.6 billion in 2015 to \$3.5 billion in 2018.

NOTE: IC Insights is currently taking orders for the 2016 IC Market Drivers Report, which will be released later this month. If you need to fully understand the driving forces behind IC market growth, you need to subscribe to the 2016 IC Market Drivers Report.

Report Details: *The 2016 IC Market Drivers Report*

IC Market Drivers 2016—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 for new applications that are expected to help fuel the market for ICs.

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, the *IC Market Drivers Report* examines and evaluates key existing and emerging end-use applications that will support and propel the IC industry through 2019. Some of these applications include the Internet of Things, automotive electronics, smartphones, personal/mobile computing (including tablets), digital imaging, and a review of many applications to watch that may potentially provide significant opportunity for IC suppliers later this decade. The *2016 IC Market Drivers Report* is priced at \$3,490 for an individual-user license and \$6,590 for a multi-user corporate license.

To review additional information about IC Insights' new and existing market research products and services please visit our website: www.icinsights.com

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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