

RESEARCH BULLETIN

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2017 Automotive IC Market on Pace for Record Year

22% forecast increase driven by system growth, rising ASPs for memory and logic devices.

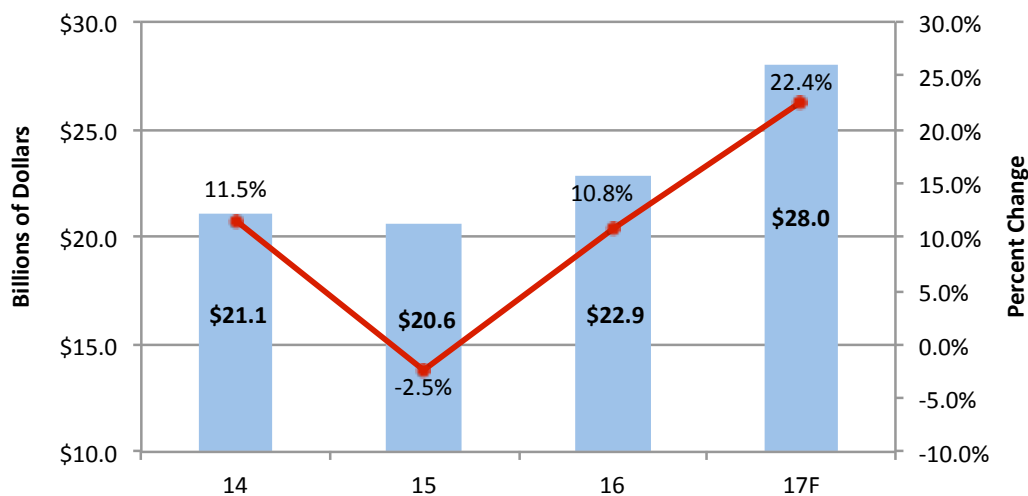
Electronic systems that improve vehicle performance; that add comfort and convenience; and that warn, detect, and take corrective measures to keep drivers safe and alert are being added to new cars each year. Consumer demand and government mandates for many of these new systems, along with rising prices for many IC components within them, are expected to raise the automotive IC market 22% this year to a new record high of \$28.0 billion (Figure 1).

MORE INFORMATION CONTACT

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Over the past several years, the global automotive IC market has experienced some extraordinary swings in growth. After increasing 11.5% in 2014, the automotive IC market declined 2.5% in 2015, but then rebounded with solid 10.8% growth in 2016. It is worth noting that the sales decline experienced in 2015 was primarily the result of falling ASPs across all the key automotive IC product categories—microcontrollers, analog ICs, DRAM, flash, and general- and special-purpose logic ICs, which offset steady unit growth for automotive ICs that year.

2014-2017F Automotive IC Market



Source: IC Insights

Figure 1

However, in the second half of 2016, steadily rising ASPs (along with demand for the new automotive systems) helped return the automotive IC market to double-digit growth. In 2017, *exceptionally strong* increases in DRAM and flash memory prices are expected to help drive the total automotive IC market to an extraordinary increase of 22.4%.

IC Insights recently revised its IC market outlook for 2017 and now shows DRAM average selling prices rising 50% in 2017, NAND flash ASPs increasing 28%, and the average selling price for automotive special-purpose logic devices increasing 34%. These strong ASPs gains, coupled with ongoing system demand, are driving the strong automotive IC market growth this year (Figure 2).

Automotive IC Market by Device Type (\$M)

Product	16 (\$)	17F (\$)	% Chng
Analog	10,827	13,049	20.5%
MCU	5,989	6,579	9.9%
Logic	2,910	4,161	43.0%
MOS Memory	1,706	2,578	51.1%
DSP	1,026	1,126	9.7%
MPU	405	492	21.5%
TOTAL Auto IC Market	22,863	27,985	22.4%

Source: IC Insights

Figure 2

Collectively, microcontrollers, analog, standard logic, and memory ICs used in automotive applications accounted for only about 8% of total IC marketshare by system type in 2016, but that share is forecast to increase to more than 10% in 2020, when automotive is expected to become the third-largest end-use category for ICs, trailing only the communications and computer segments. Through 2020, IC Insights anticipates that advanced driver-assistance systems (ADAS) will be the biggest user of automotive ICs. Various ADAS systems are currently helping cars and drivers remain safe on the road and they are proving to be essential building blocks to semi-autonomous and autonomous vehicles that are being proposed for the next decade.

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.

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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