

RESEARCH BULLETIN

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IC Insights Raises Its 2021 Worldwide IC Market Forecast to +24% Global IC market expected to exceed \$500 billion for the first time ever.

In this month's *June Update to The McClean Report*, IC Insights presented its latest forecasts for the 2021 through 2025 IC market segmented by 33 major product types, 32 of which are expected to register growth this year. Included are market, unit, average selling price (ASP), and 2020-2025 compound annual growth rate (CAGR) data for each IC product category. Figure 1 shows the forecast for the ranking of the top-10 product segments by their expected 2021 growth rate.

Continued per-bit pricing strength in the DRAM and NAND flash markets as well as a better than expected outlook for many of the logic and analog IC product categories were the driving forces behind IC Insights' full-year 2021 IC market forecast being raised from 19% to 24%. Even if excluding memory, the total IC market is expected to be up by 21% this year.

MORE INFORMATION CONTACT

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Top-10 IC Products Ranked by 2021F Sales Growth Rate

Rank	Product Category	2020	2021F
1	Industrial/Other—Spcl Purpose Logic	12%	47%
2	DRAM	8%	41%
3	Auto—Spcl Purpose Logic	10%	39%
4	Consumer—Special Purpose Logic	8%	38%
5	Cellphone Application MPUs	24%	34%
6	Auto—App-Specific Analog	-7%	31%
7	Display Drivers	13%	31%
8	Wireless Comm—App-Specific Analog	8%	28%
9	Wireless Comm—Spcl Purpose Logic	24%	26%
10	Consumer—App-Specific Analog	8%	25%

Source: IC Insights

Figure 1

After dropping 8% in 2019, the analog IC market registered a small 3% increase in 2020. For 2021, the analog market is expected to surge and display 25% growth with a 20% jump in unit shipments. As a result of the supply constraints in the analog IC market, a rare rise of 4% in the analog ASP is forecast for this year (the last time there was an increase in analog IC ASP was 17 years ago in 2004). Moreover, in 2004, the analog IC ASP was \$0.60 as compared to only \$0.32 in 2020, a 16-year CAGR of -4%.

Every major general-purpose analog and application-specific analog market segment tracked by IC Insights is expected to post a double-digit increase in 2021. The automotive application specific analog segment is forecast to lead the way in analog market growth this year with a 31% increase driven almost entirely by a 30% increase unit volume shipments.

The total logic IC market is forecast to increase by 24% in 2021. Logic markets that are expected to register >30% in growth this year include the Industrial (47%), Automotive (39%), and Consumer (38%) application-specific logic segments and the Display Driver category (31%). The ASP for logic ICs is forecast to drop 5% this year but be offset by a massive 30% increase in logic unit shipments.

With the price per bit of DRAM rising 28% from 39 cents per Gb in 4Q20 to 50 cents per Gb in 2Q21, IC Insights raised its full year 2021 forecast for the DRAM market to 41%. Moreover, it is expected that the price per bit of DRAM will continue to rise in the second half of this year as supply remains tight.

The forecast for the NAND flash market is for 22% growth. The price per bit of NAND declined 26% from 1Q20 to 1Q21, but pricing stabilized in 2Q21 and is expected to increase over the remaining two quarters of this year. For all of 2021, the total memory market is forecast to be up by 32%.

As mentioned earlier, the worldwide IC market is now expected to display an increase of 24% this year, driven by a 21% jump in unit shipments and a 2% increase in ASP. A growth rate of 24% would be the third largest increase in the global IC market over the past 16 years, being surpassed only by the 33% surge displayed in 2010 and the 25% increase registered in 2017.

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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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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