Gartner | Press Release

FOR IMMEDIATE RELEASE

CONTACTS:

Janessa Rivera   Robert van der Meulen
Gartner   Gartner
+ 1 408 709 8220   + 44 (0) 1784 267 738
janessa.rivera@gartner.com   rob.vandermeulen@gartner.com

Samsung Retains Position as the Top Global Semiconductor Customer in 2013, According to Gartner
### *Samsung and Apple Together Consumed 17 Per Cent of Total Semiconductor Demand in 2013*

TOKYO, Japan, January 23, 2014 — Samsung Electronics and Apple remained the top semiconductor buyers in 2013, increasing their combined semiconductor demand by 17 per cent, according to Gartner, Inc. Samsung Electronics and Apple together consumed $53.7 billion of semiconductors in 2013, an increase of $7.7 billion from 2012 (see Figure 1).

"Samsung Electronics and Apple have topped the semiconductor consumption table for three years running, with their share of the design total available market (TAM) rising from 12 per cent in 2011, to 17 per cent in 2013," said Masatsune Yamaji, principal research analyst at Gartner. "This increase clearly shows how fast the presence of these two companies has expanded over the last three years and why their decisions have technology and pricing implications for the whole semiconductor industry."

The top 10 companies bought $114.0 billion of semiconductors, to account for 36 per cent of semiconductor vendors' worldwide revenue in 2013. This was up from $105.1 billion, accounting for 35 per cent in 2012. The top 10 outperformed the overall semiconductor buying market and grew by 8.4 per cent in 2013.

Figure 1 - Top 10 Semiconductor Design TAM by Company, Worldwide 2013, Preliminary (Millions of Dollars)
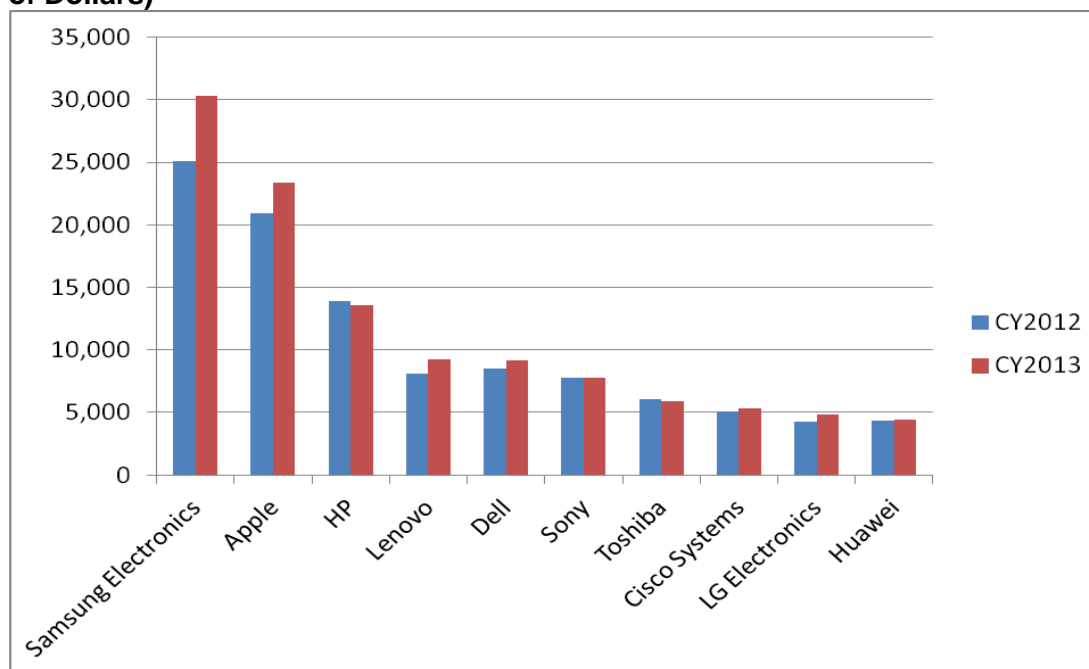
TAM = total available market
Source: Gartner (January 2014)

Eight of the top 10 companies in the design TAM ranking for 2012 remained in the top 10 in 2013 and eight of the top 10 increased their semiconductor demand in 2013. Lenovo climbed to No. 4 in 2013 due to its market share growth in the PC market as well as the great success in the Chinese smartphone market. Ranking 10th in 2013, it was the first time for Huawei to seize a top 10 position. Gartner said that Chinese electronic equipment manufacturers will continue to grow and therefore increase their semiconductor demand with their growth driven not just by demand from their domestic markets, but also by strong demand from other emerging markets such as those in Latin America and Africa.

"In 2013, total semiconductor demand from the smartphone and media tablet markets surpassed demand in the PC market," said Mr Yamaji. "However, this consumer shift has caused a substantial decrease in total semiconductor demand over the last two years because there is far less semiconductor content in a smartphone and a media tablet than there is in a PC. In addition, in the total smartphone and media tablet markets, the growth rate for utility/basic models is far higher than for premium models. To keep growing, semiconductor vendors need to gain opportunities by accelerating the device commoditisation with their intellectual properties and patent portfolio."

Mr Yamaji also said that in order to avoid the fierce price competition from commoditised markets, innovative market leaders are seeking opportunities in new markets such as wearable devices, smart TVs and automotive infotainment.

"Wearable devices as well as 'Internet of Things' (IoT) devices are the next growth drivers for hardware vendors that can offer the required energy saving technologies and energy harvesting technologies to realise these applications," said Mr Yamaji.

More detailed analysis is available in the report "Market Insight: Semiconductor Demand From OEMs, ODMs and EMS Companies, Worldwide, 2013 (Preliminary)." The report is available on Gartner's web site http://www.gartner.com/document/2648915.

About Gartner
Gartner, Inc. (NYSE: IT) is the world's leading information technology research and advisory company. Gartner delivers the technology-related insight necessary for its clients to make the right decisions, every day. From CIOs and senior IT leaders in corporations and government agencies, to business leaders in high-tech and telecom enterprises and professional services firms, to technology investors, Gartner is a valuable partner in more than 13,000 distinct organizations. Through the resources of Gartner Research, Gartner Executive Programs, Gartner Consulting and Gartner Events, Gartner works with every client to research, analyze and interpret the business of IT within the context of their individual role. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, USA, and has 5,800 associates, including more than 1,450 research analysts and consultants, and clients in 85 countries. For more information, visit www.gartner.com.

# # #