



Worldwide CE Market Forecast to Grow 4.5% this Year

After a difficult ride for many segments in the CE market, we are still seeing growth. This release highlights the key categories that drive this vast industry.

LONDON, UNITED KINGDOM, December 19, 2014 /EINPresswire.com/ -- It has been another difficult year for many CE vendors as convergence takes its toll on dedicated product sectors and competition has squeezed profits in key areas like TV. However, worldwide CE sales are still forecast to rise by 4.5% in 2014 to reach \$707 billion (trade value), driven largely by a 24% growth in mobile sales. Despite the convergence, Futuresource forecasts the CE market to continue to grow to \$733 billion by 2018, with the growth coming primarily from mobile devices.

Beyond these established CE categories, new product segments are emerging and growing strongly, mostly falling within the 'Internet of Things' industry trend. Wearables in particular have seen strong growth in 2014 reaching a value of \$8 Billion, and smartwatches are expected to drive larger-scale uptake in 2015. However, questions remain about the longer-term viability of the market when the usage model and main applications of wearable devices is still unclear to consumers. Smart home will also be a key driver of growth, although some of the biggest opportunities within this space are more service-driven, with opportunities for CE vendors again being less clear.

Mobile share of CE wallet grown over 60% in four years

The smartphone market continues to defy gravity and increase its share of spending on consumer technology, benefiting mobile leaders such as Apple and Samsung. However, Chinese vendors such as Lenovo, Huawei and Xiaomi are driving volume growth with sales of low-end handsets, and are eating into the profits of more established brands. Apple and Samsung's dominance of the high end, combined with the rapid emergence of low-cost Chinese vendors has marginalised other non-Chinese mobile vendors like Nokia, Blackberry, Sony, HTC and Motorola. The smartphone market is now the largest segment of the total CE market, followed by infotainment devices (PCs, tablets, e-readers, networking devices and peripherals) and television displays.

China's spending now as big as North America

Despite slowing growth, China's share of worldwide CE spending hit 22% in 2014, matching North America for the first time. China's tech giants are starting to challenge at the world level, leveraging a domestic market which is now the world's largest, with increasingly broad access to leading edge technologies and Western brand acquisitions like Motorola and Philips.

A weaker yen has given some relief to Japanese manufacturers, but most are still losing money in consumer electronics and widespread restructuring and industry consolidation continues. Emerging markets continue to grow and have now reached over 50% of worldwide demand in 2014, with growth again focused on smartphone and tablets. One such market is Latin America, which has seen continuous growth for the last three years. For one country though, it's not all rosy. After a strong period of growth, the Russian economy has skidded to a halt in 2014 due to sanctions and the falling cost of oil.

Growth will continue...

Looking forward, a number of markets will continue to grow from now until 2018 and beyond. Futuresource anticipates that the mobile market value will peak in 2017 at \$343 billion, due to the falling ASPs (Average Selling Price) of mobiles. As for the TV segment, this will continue to grow throughout the forecast period reaching \$163 billion in 2018. Another segment which will continue to grow is the automotive market (includes automotive entertainment, telematics and factory-installed systems, plus personal navigation devices), which will grow at 4.1% CAGR from now until 2018, to reach \$37 billion.

Notes

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