

Mobile phones suffer temporary setback in the recession

Recovery expected next year

London, UK. DATE 2009. This financial recession has caused the first fall in mobile phone unit production since 2001 according to Future Horizons in the Semiconductor Application Market Report, released today. The resultant mobile phone slowdown is continuing into 2009 but is forecast to recover in 2010.

Worldwide mobile phone production consists of emerging markets in countries like China, Africa and Latin America, and the replacement market in saturated regions including Western Europe and Japan. "The total market for phones will slow as the world moves to replacement models even after the recession lifts," said Alan Brown, Senior Industry Analyst at Future Horizons. "Nevertheless, the phone market is resilient and will offer growth of over 60 billion dollars by 2013. The mobile phone semiconductor market is highly competitive, but it can be profitable for those semiconductor suppliers that have the right product at the right price."

"Semiconductor components account for the majority of bill-of-material costs, and phone manufacturers are looking to component suppliers for cost reductions across a wide range of products, including enhanced phones and smart phones," he continued. "Power consumption and size remain important criteria, but the price of devices for use in high-volume mobile phone terminals will become increasingly significant. Mobile phone manufacturers will expect to see the benefit of semiconductor cost-reduction programmes, and margins will be squeezed for suppliers and manufacturers throughout the forecast period. Although the typical "phone of the future" will need greater memory and processing power for multimedia and games, this will mean only a temporary halt in the long-term price decline."

Ends

About Future Horizons

Established in April 1989, Future Horizons provides market research and business support services for use in opportunity analysis, business planning and new market development. Its industry information seminars and forums are widely considered to be the best of their kind. Emphasis is placed on the worldwide semiconductor and electronics industry and associated markets.

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