

Panel Price Erosion and Tablet Panel Demand Impact TFT LCD Market Dynamics

General Electric

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2011 Tablet PC Panel Shipments Up 217% Y/Y

SANTA CLARA, Calif., February 21, 2012Two trends are emerging for large-area TFT LCD panel shipments: tablet PC panels are the fastest growing segment for large-area displays, and ongoing panel price erosion is impacting revenues and profitability.

According to the NPD DisplaySearch [Quarterly Large-Area TFT LCD Shipment Report Advanced LED \[1\]](#), large-area (9+) TFT LCD shipments reached 702.8 million in 2011, which is merely 6% Y/Y growth, while revenues declined 12% Y/Y, to \$75.5 billion.

Shipments of TV, monitor and mini-note PC panels have all been experiencing declines since 2010, mainly because of inventory adjustments in the supply chain. For TV panels, 2011 was the first year to show a decrease in shipments since the LCD TV market emerged in 2002. Despite this, TV panel shipments grew by 3% on an area basis in 2011.

The notebook PC and public display segments remain promising applications for large-area TFT LCD, growing 8% and 52%, respectively. The strong momentum in tablet PCs, especially Apples iPad, has driven tablet PC panel shipments to 59.7 million units, up 217% Y/Y from 2010.

Table 1: Large-Area TFT LCD Shipments 2009-2011 (Units in Millions)

Application	2009	2010	2011	Growth 2009-2010	Growth 2010-2011
LCD Monitor	176.8	199.0	196.9	13%	-1%
Notebook PC	141.4	178.1	192.4	26%	8%
Mini-Note	0.0	35.4	30.1	N/A	-15%
Tablet	0.0	18.8	59.7	N/A	217%
Tablet PC/Mini-Note	33.1	0.0	0.0	N/A	N/A

LCD TV	163.4	220.8	210.2	35%	-5%
Public Display	1.1	1.7	2.6	53%	52%
Others	10.7	11.1	11.0	4%	-1%
Total	526.5	665.0	702.8	26%	6%

Source: DisplaySearch [Quarterly Large-Area TFT LCD Shipment Report Advanced LED \[1\]](#)

The TFT LCD industry is now experiencing unprecedented changes. Although LCD TV is still the largest and most influential application, the mobile PC market, especially notebook and tablet PCs, is driving growth and becoming the center of product innovation. 2012 is viewed as a gradual recovery period for the TFT LCD industry, and we see the market recovery and technology evolution happening at the same time. Higher resolution, thinner form factors and bezels, as well as the prevalence of LED, will be key drivers for growth in the LCD panel segment during 2012, noted [David Hsieh](#) [2], Vice President, Greater China Market, NPD DisplaySearch.

LED backlight penetration reached 55.3% of total Q411 LCD TV panel shipments. According to panel makers plans, LED penetration in LCD TV panels will reach 60% in Q112 and 72% in Q412. In addition, many panel makers are developing low-cost direct type LED backlights, targeting market segments that value panel cost over thickness, but while still valuing the advantages of LED. NPD DisplaySearch estimated that direct type LEDs will grow to 5% of total LCD TV panels in Q312.

Table 2: LCD TV Panel Shipment Percentage by Backlight Type

Application	Q211	Q311	Q411	Q112	Q212	Q312	Q412
CCFL	57.3%	51.0%	44.7%	40.3%	32.5%	30.1%	27.8%
Direct Type LED	1.3%	1.0%	0.5%	3.3%	6.8%	9.3%	13.0%
Edge Type LED	41.4%	48.0%	54.8%	56.4%	60.7%	60.5%	59.2%

Source: DisplaySearch [Quarterly Large-Area TFT LCD Shipment Report Advanced LED \[1\]](#)

The NPD DisplaySearch [Quarterly Large-Area TFT LCD Shipment Report Advanced LED \[1\]](#) covers the entire range of large-area panels shipped worldwide and

regionally. The report analyzes historical shipments and forecast projections with 100% coverage of panel makers. Authored by industry experts, the [Quarterly Large-Area TFT LCD Shipment Report Advanced LED \[1\]](#) provides some of the industry's most detailed information and insights. It is delivered in PowerPoint and includes Excel-based data and tables. For more information on this report, please contact Charles Camaroto at 1.888.436.7673 or 1.516.625.2452, or contact@displaysearch.com or contact your regional DisplaySearch office in China, Japan, Korea or Taiwan.

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- [1] http://www.displaysearch.com/cps/rde/xchg/displaysearch/hs.xsl/quarterly_large_area_tft_lcd_shipment_report.asp
- [2] http://www.displaysearch.com/cps/rde/xchg/displaysearch/hs.xsl/analysts_dhsieh.asp
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