

DKN Research Newsletter

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(Micro Electronics & Packaging)

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Global Electronics Industry Continue to Decline

Sales from consumer electronics are expected to slip this year, continuing a decline that began in December 2018. The Taiwanese PCB industry was first to signal stormy days ahead, and data from the global semiconductor industry for the same month backed up this gloomy forecast. Monthly revenue declined at an accelerated pace as global shipments for electronic components soften. This slowdown is felt throughout the consumer electronics industry.

The decline is in its third month now, and manufacturing companies are hoping for a turnaround soon. Market analysts are confident for a rebound during the third or fourth quarter leading up to the Christmas manufacturing season.

Taiwanese PCB shipments spiked during March; this could be a seasonal trend after the Chinese New Year vacation. Revenue for March showed a positive growth compared to the same month last year. Overall, growth expanded during March; the only exception was the flexible circuit segment. In my opinion, Taiwanese electronics companies discovered new avenues for business and are not relying so much on smart phones sales.

Sales from the global semiconductor industry declined in March, but the rate of decline was smaller than previous months. Semiconductor shipments in China rebounded during March, while other countries continue to decline (especially in North America).

Is this another trend leading to a recession for the global electronics market? I was optimistic with industry growth in the beginning of the year, but a new variable has shaken my optimism. The trade war between China and the U.S. heated up during May. Manufacturers throughout the world are facing difficulty as international companies shift manufacturing sites from China to other countries.

Both economic juggernauts realize a trade war will hurt both countries, and the unexpected is wreaking havoc. Stock markets from both countries were extremely volatile during the last two weeks. No one likes uncertainty.

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Headlines of the week

(Please contact haverhill@dknresearch.com for further information and news.)

1. MURATA (Major component supplier in Japan) 4/26

Has reported a record revenue 1.575 trillion yen, 14.8% growth from previous year. The battery business made a remarkable contribution.

2. CASIO (Major electronics company in Japan) 5/7

Has rolled out a new portable digital camera for skin doctors. 199,000 yen for one unit.

3. Molex Japan (Major connector supplier in Japan) 5/14

Has added 4 pin and 6 pin models for the CP-6.5 board to cable connector series. They eliminate misconnections by color-coded housing.

4. JDI (Major display device manufacturer in Japan) 5/13

Has developed a new flexible finger print sensor. It does not have cracks by folding.

5. AIST (Major R&D organization in Japan) 5/14

Has successfully produced an IC chip by Minimal Fab with a small volume for the aerospace equipment.

6. Taiyo Yuden (Major component supplier in Japan) 5/14

Has reported the highest revenue (+12.4%) and income (+74.3%) for the fiscal year of March, 2019.

7. Renesas Electronics (Major semiconductor company in Japan) 5/14

Has reported the revenue in the 1st quarter 150.3 billion yens, 19% decline from the same quarter of the previous year.

8. RIKEN (Major R&D organization in Japan) 5/15

Was successful to control super conductive circuits using organic transistors.

9. Sharp (Major electronics company in Japan) 5/16

Will enter the market of Micro LED in the near future. It has unveiled the prototype model recently.

10. Nikkei XTECH (Industry media in Japan) 5/16

The assist suit market has been expanding rapidly. It will change our life and working style remarkably in the next ten years.

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