

COVID-19 To Have Significant Effect on Worldwide Semiconductor Market in 2020, According to IDC

IDC report analyzes range of critical factors that will affect the semiconductor market this year and presents most likely scenario to help clients navigate this emergency

SAN MATEO, Calif., March 18, 2020 – The Coronavirus Disease 2019 (COVID-19) is affecting China and is spreading within East Asia and into Europe and North America. In addition to the human cost of life, the impact of the spread of the virus on the global economy is only beginning to be appreciated and has deep implications for the world's technology supply chain. A new International Data Corporation (IDC) report, [Impact of COVID-19 on the Worldwide Semiconductor Market Forecast](#) (IDC #US46115520), provides IDC's view on the impact the COVID-19 virus will have on the semiconductor market.

The report provides a framework to evaluate the market impact through four scenarios that assess the range of possible outcomes. Each scenario is based on varying assumptions and severity of the impact to business for technology suppliers. For each scenario, a range of critical factors are assessed with a resulting updated forecast, presented with leading indicators to help clients navigate this emergency.

"The emergence of COVID-19 has brought with it travel bans and quarantines; massive slowing of the supply chain; uncertainty in the stock market; falling business confidence, and growing panic among the population," said [Mario Morales](#), program vice president, Semiconductors and Enabling Technologies at IDC. "Despite the growing uncertainty and panic, technology suppliers must continue to focus on their long-term investments, maintain engagement with partners and prospects, and look to specific markets for stability. Emerging technologies like 5G, the Internet of

Things, high-performance computing, and intelligent edge will be fundamental to an overall recovery by the technology sector."

Report highlights include:

- There is nearly an 80% chance for significant contraction in worldwide semiconductor revenues in 2020, instead of a previously expected minor overall growth of 2%.
- There is still a one-in-five chance that a fast, strong bounce back from COVID-19 in 2020 is possible.
- On a global level, the COVID-19 crisis is just beginning, with too many variables to immediately craft a single forecast in response.
- The impact to technology supply chains in China are significant, but the timing of the recovery is uncertain.

Mapping Four Semiconductor Revenue Forecast Scenarios			
2020 Worldwide Semiconductor Revenue Growth Forecast Scenarios	Technology Supply Chain Recovery Outlook	Global Disruption to Economy and Technology Demand	Impact on Broader Technology Industry Initiatives
Scenario 1: Decline -12% or more	1-3 months	9-12+ months	9-12+ months
Scenario 2: Decline -3 to -6%	3-9 months	3-9 months	3-9 months
Scenario 3: Growth +2%	1-3 months	3-9 months	3-9 months
Scenario 4: Growth	1-3 months	1-3 months	1-3 months

+6% or more			
Source: IDC, March 2020			

At this time, IDC believes the most likely outcome for this event will be a year-over-year revenue growth rate of -6% for the worldwide semiconductor market in 2020. We give this scenario a 54% probability. Under this scenario, the supply chain will start to recover, and quarantines and travel bans will ease, over the summer. For the worldwide semiconductor market, the impact will be \$25.8 billion. While the impact of the virus will be felt through the bulk of the year, the accumulated knowledge about the virus, public health initiatives, and other efforts will to some degree mitigate harm done by COVID-19. In the short term there will be lower demand for systems and some impact to component availability, but as recovery sets in, growth will return to the market.

About IDC Enabling Technologies and Semiconductors Research

IDC's Enabling Technologies Research covers the technologies that transform data from the physical world to the digital world within electronics systems and deployment across the landscape of systems from the Internet's edge to the datacenter.

For more information about IDC's Enabling Technologies

and Semiconductors Research, please contact Joan Young at 650-350-6471 or jyoung@idc.com.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,100 analysts worldwide, IDC offers global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly-owned subsidiary of International Data Group (IDG), the world's leading tech media, data and marketing services company. To learn more about IDC, please visit www.idc.com. Follow IDC on Twitter at [@IDC](https://twitter.com/IDC) and [LinkedIn](https://www.linkedin.com/company/idc). Subscribe to the IDC Blog for industry news and insights: http://bit.ly/IDCBlog_Subscribe.

IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. Additional information can be found at www.idc.com. All product and company names may be trademarks or registered trademarks of their respective holders.

For more information contact:

Joan Young
jyoung@idc.com
650-350-6471
Michael Shirer
press@idc.com
508-935-4200