

Top Three China Panel Suppliers Surpass 40% in 1Q Market Share Combined, Thanks to New and Contributing Production Capacities, Says TrendForce

2019-05-06 [Iris Hu](#)

According to the TV panel shipment report for 1Q19 by WitsView, a division of TrendForce, total shipments have reached 70.02 million units, a YoY growth of 4.2%. The first season was an offseason as always with demand clearly dropping. As Taiwan, Korean and Japanese panel manufacturers undergo annual maintenance and ease production pressures by adjusting product sizes, China's panel manufacturers take the lead in keeping TV panel shipments up this season as they free up production capacities.

TrendForce research manager Iris Hu says that a recovery in demand will be aided by the stock-up period for new products and China's 618 Sale entering 2Q. Besides CSOT's Gen 11 production capacity, expanding month by month, new production capacities also include HKC's Chuzhou Gen 8.6 production line, which is expected to begin mass production in May. The average size of shipped panels for 2Q is expected to grow by nearly an inch QoQ, reaching 46.5 inches, thanks to Gen 10.5 lines' focus on super large sized panels, and an increasing proportion of panels 50 inches and above from China's, Taiwan's and Korea's manufacturers. This will be accompanied by a growth in total shipments by 5.5%.

BOE Keeps Top Position in Shipments, while Innolux Enjoys Significant Growth Due to 50-inch Panel Demands

In the TV panel shipment rankings for the first quarter, BOE's production capacity skyrocketed since its first Gen 10.5 line began mass production in early 2018, allowing BOE to come out on top in terms of 65-inch and 75-inch sizes, pushing down Korean Manufacturers. Apart from super-large sizes, the increase in demand for 32-inch panels 1Q allowed BOE to grow offseason shipments against the trend by 5% QoQ to 14.27 million units, a 14.9% YoY growth, safeguarding its position as leading TV panels supplier.

LGD's TV panel shipments declined by 11.6% in the first quarter, with production influenced not only by the decrease in demand offseason, but also by the adjustments made to its product portfolio of current Gen 7.5 and Gen 8.5 lines. Shipments for products 55 inches and above are expected to grow by over 10% QoQ, starting with the second quarter.

After Innolux's clearing out of its mainstream, 39.5- and 50-inch inventories last year, its TV panel shipments reached 10.74 million units 1Q this year, a QoQ decline of 13.7% but a 16.5% growth YoY, showing a clear improvement in shipments. The migration of 49-inch demand to 50-inch products this year pushed Innolux to become the top supplier of 50-inch panels for global brands. Thus despite entering the 1Q offseason, 50-inch shipments only dropped slightly by 0.7%, but exhibited a large growth of 38.1% YoY.

CSOT's shipment performance remained sure and steady since 2018 with the support of its group brand, TCL, which strove to capture a larger portion of the market. Its first Gen 11 line began mass production in January this year, with yield rate as a priority and not merely a consideration. This combined with the effects of the 1Q offseason brought about a shipment decline of 4.6% QoQ. As for the performances of various sizes, we see CSOT winding down 32-inch production in its Gen 8.5 line and shifting towards 55 -inch production, bringing 55-inch shipment growth up to 9.3%.

Samsung Decides to Pack Up and Make a Sprint for Large-Sized Products; CEC Group Shipment Growth YoY Hits 200%

Due to SDC's decision to shut down 1.5 of its Gen 8.5 production lines this year, it has been raising the proportion of production for super-large sizes to get the most out of the remaining production lines. This led to modifications to and investments in their production lines early this year, affecting SDC's TV panel shipments, which dropped by 12.4% QoQ to 8.76 million units in the first quarter. SDC was also the only one out of all TV panel suppliers to

decline by 12.7% YoY in shipments, fully demonstrating SDC's resolve to pack up and move to highly-profitable, large-sized products.

AUO has the smallest production capacity of the top six. It got into position early in mid- and large-sized markets with an aim to elevate profits, and thus exhibited a smaller fluctuation in shipments, which reached 6.28 million units. This was a QoQ drop of 3.3%, a relatively mild drop compared to other suppliers declining in shipments.

After CHOT's Gen 8.6 line and Chengdu CEC-Panda's 8.6+ line entered the market in 2018, the CEC group focused its efforts on mid- and large-sized products. Since the group's ODMs and China brands have completed verification processes and freed up production capacities, their shipments combined for 1Q this year stood at 5.2 million units, a QoQ growth of 14.3%.

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