

Uncertainties in US-China Trade Negotiations to Become the Greatest Headwind for Revenue Growth of Global Top Ten IC Designers 2019, Says TrendForce

2019-06-28 [CY Yao](#)

TrendForce has released its 1Q19 rankings for the top ten IC design companies worldwide by revenue, which showed only MediaTek maintaining a small growth among the top five as Broadcom, Qualcomm, Nvidia and AMD all showed declines. Nvidia declined the most by 24.4% YoY due to unfinished destocking.

TrendForce Senior Analyst CY Yao points out that, although major IC design businesses around the globe performed well in 2018, the US-China trade dispute and the slowing of the overall China Market caused the global market to swing to a rather conservative mood in 2019, leading to less-than-satisfactory performances for many IC design companies in 1Q19.

The reason for Nvidia's declining the most lies in unfinished destocking of its graphics cards for gaming, the revenues from which plunged by 40.9% YoY in 1Q. The datacenter market, which formed another main source of growth, showed the first decline in three years as hyperscale datacenters and businesses gradually reduced procurements for GPUs. Nvidia's 2Q revenue is expected to keep on declining and register a 20% slide YoY.

Broadcom was affected by the US Commerce Department's motion to place Huawei, a Broadcom customer, on the Entity List during the US-China trade dispute, with their semiconductor department registering a YoY revenue fall in 1Q. However, CA Technologies will be contributing to Broadcom's overall revenue after its acquisition by Broadcom. In 2Q, as the US-China trade dispute keeps seeing new heights, revenue is expected to keep on declining by about 7% YoY.

Due to the evident fall in smartphone demand, Qualcomm's smartphone chip shipments have declined by 17.1% YoY in 1Q. And although MediaTek was also affected by the global smartphone market, it managed to post positive growth in 1Q due to the adoption of its products by the likes of OPPO and Xiaomi since last year, and the strides made in the smart home market. The outlook for 2Q shows a discrepancy in revenue due to fluctuating currency conversion rates: Calculations show revenue declining slightly YoY by 1.5% in USD, but growing YoY by about 2% in TWD.

Novatek and Realtek all performed well in 1Q. Despite limited growth momentum for smartphones all over the world, TDDI and AMOLED panels have become the next big thing in this market. As penetration rates climbed, Novatek was able to ride the bandwagon and give a stellar performance, scoring above Realtek and snatching eighth place in revenue rankings. Realtek benefitted from the telecommunications and the display markets, as well as hot market demand for TWS Bluetooth earbuds, and maintained revenue growth in 1Q.

The outlook for the whole 2019 year presents rising tensions between US and China and a slowing global end market. If US-China relations don't smooth down after the G20 summit, they are feared to continue affecting revenue performances of IC design companies worldwide in 2H.

About TrendForce

TrendForce is a global provider of the latest development, insight, and analysis of the technology industry. Having served businesses for over a decade, the company has built up a strong base membership base of 435,000 subscribers. TrendForce has established a reputation as an organization that offers insightful and accurate analysis of

the technology industry through five major research divisions: DRAMXchange, WitsView, LEDinside, EnergyTrend and Topology. Founded in Taipei, Taiwan in 2000, TrendForce has extended its presence in China since 2004 with offices in Shenzhen and Beijing. For more details about TrendForce, please visit www.trendforce.com

Major research divisions:

DRAMeXchange focuses on memory, storage and the consumer electronics industry including PC DRAM, Mobile DRAM, Server DRAM, NAND Flash, SSD and smartphone.

WitsView offers comprehensive coverage of the display industry from upstream components, midstream panels/touch modules to downstream system integrators, brands and channels.

LEDinside covers all aspects of the LED supply chain from upstream equipment/materials, midstream chip/packaging to the downstream backlight and lighting market.

EnergyTrend specializes in green energy research, such as solar energy, lithium battery, energy storage systems and xEVs.

Topology studies structural trends of technology industries in the Greater China Region and beyond, focusing on semiconductors, photovoltaic technology, telecommunications, and IA.

Media Contact

Pinchun Chou +886-2-8978-6488 ext.669 PinchunChou@TrendForce.com

Lindsay Hou +886-2-8978-6488 ext.667 Lindsayhou@TrendForce.com

Source URL: Trendforce - Press Center [Uncertainties in US-China Trade Negotiations to Become the Greatest Headwind for Revenue Growth of Global Top Ten IC Designers 2019. Says TrendForce](#)