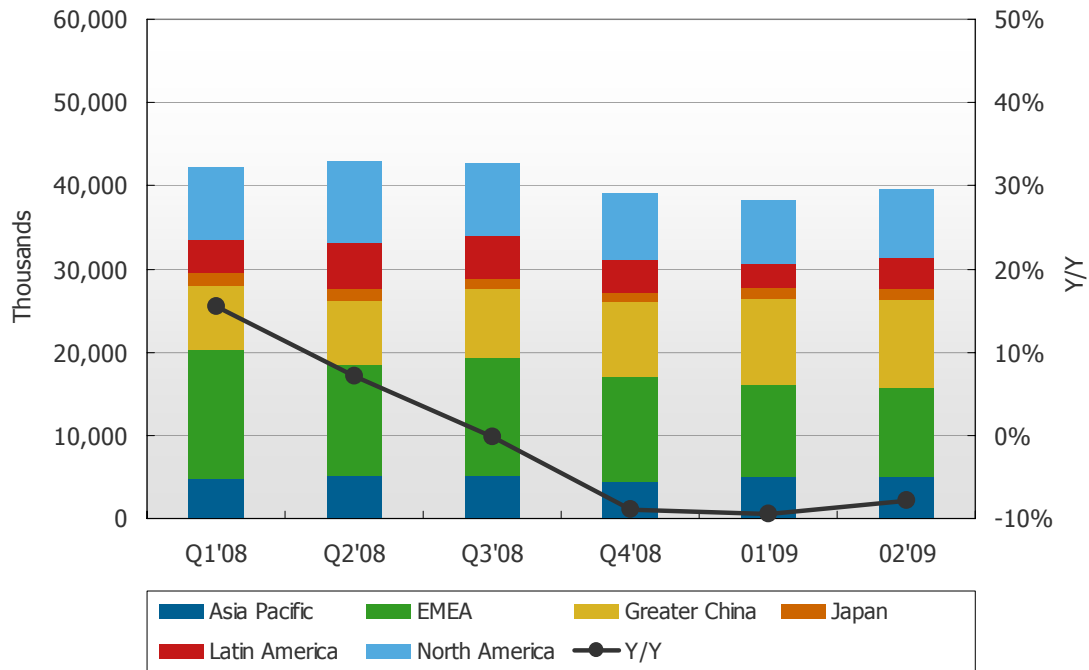


LCD Monitor and Notebook PC Markets Bottom Out

By *Hidetoshi Himuro* - Director, IT Market Research - September 2009

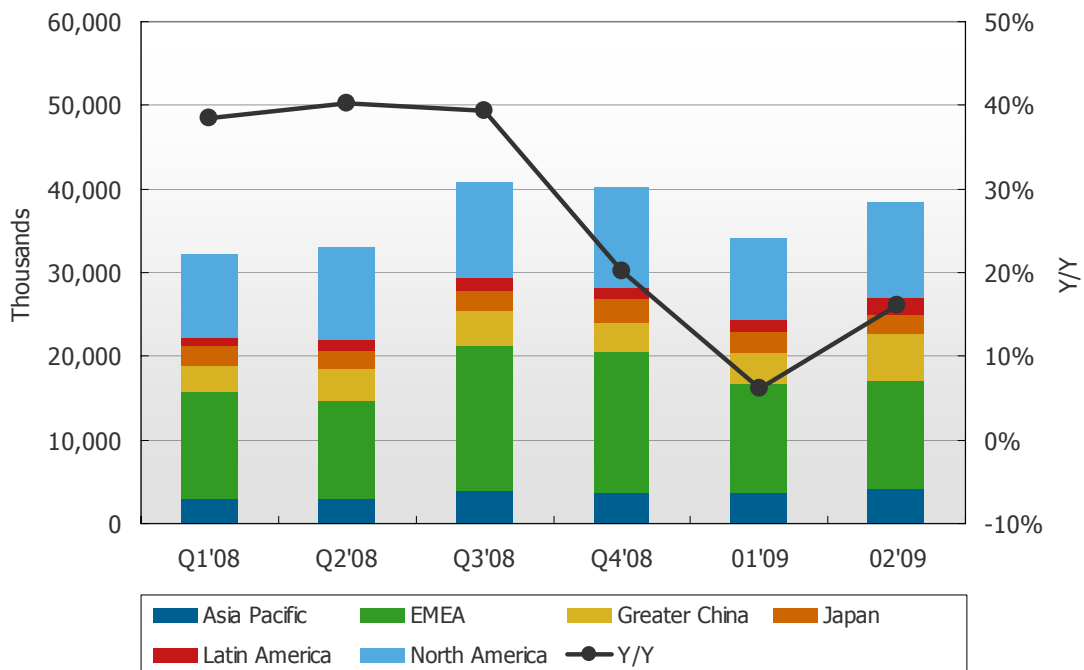
LCD monitor and notebook PC shipments had been falling after the economic crisis hit in the fall of 2008, but recent market trends show slight signs that it has bottomed out. LCD monitor shipments in Q2'09 were 39.5 million units, down 7.8% from the same period last year. The market experienced four consecutive quarters of loss on a Y/Y basis, but on a Q/Q basis, it ended up with the first increase in the past three quarters (Figure 1). In Q2'09, notebook PC shipments, including mini-notes, were 38.3 million units, up 16.1% Y/Y (Figure 2).

Figure 1 LCD Monitor Shipments by Region and Worldwide Growth



Source: DisplaySearch Q3'09 *Quarterly Desktop Monitor Shipment and Forecast Report*

Figure 2 Notebook PC Shipments by Region and Worldwide Growth

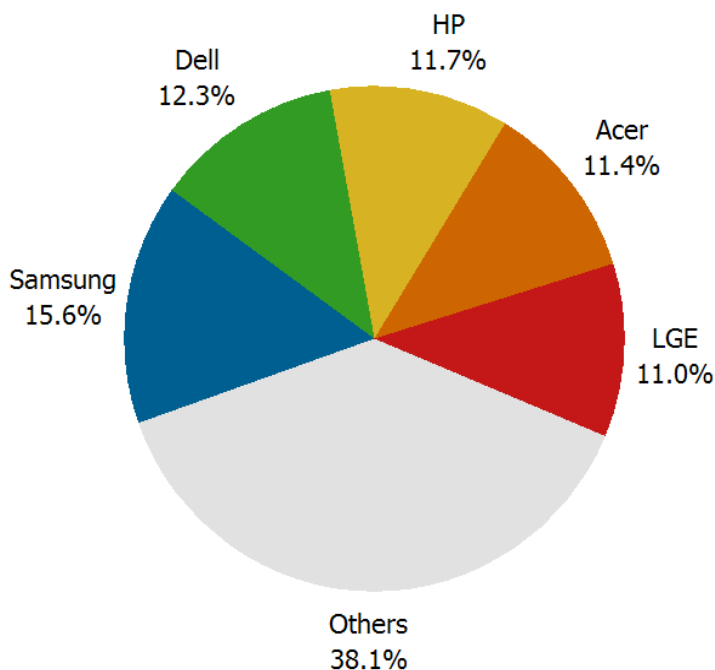


Source: DisplaySearch Q3'09 *Quarterly Notebook PC Shipment and Forecast Report*

The market showed the first growth in the past three quarters on a Q/Q basis, which is the same as the LCD monitor market ([click here](#) for more detailed data, such as shipment share by region). For the time being, LCD panel shipments for LCD monitors and notebook PCs appear to have bottomed out in Q1'09.

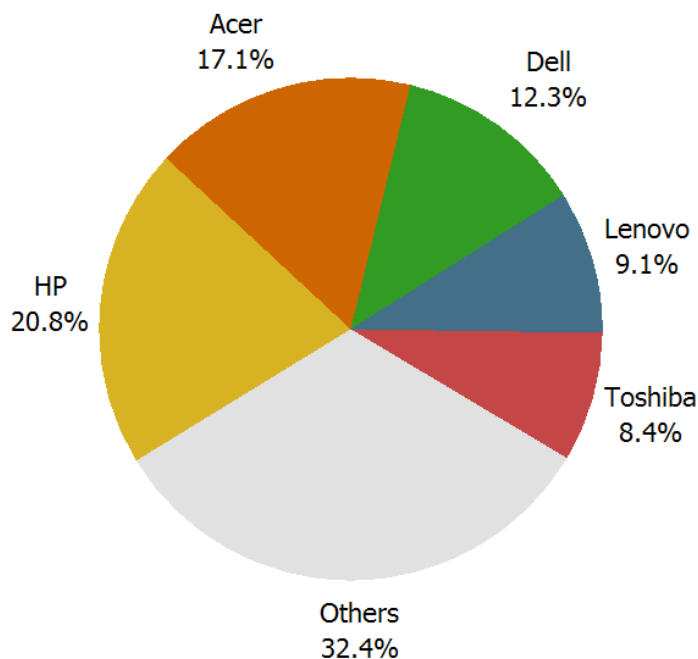
By supplier, Samsung Electronics (Korea) continued to hold the top position for the fourth quarter in a row in Q2'09 in shipment of LCD monitors, followed by Dell (US), Hewlett-Packard (US) and Acer (Taiwan). The top five suppliers accounted for over 60% of total shipments (Figure 3). In the notebook PC market, HP remained #1 for the fourth consecutive quarter with a 21% share, followed by Acer and Dell. The top five suppliers took ~70% share of the market (Figure 4).

Figure 3 Q2'09 LCD Monitor Shipment Share by Supplier



Source: DisplaySearch Q3'09 *Quarterly Desktop Monitor Shipment and Forecast Report*

Figure 4 Q2'09 Notebook PC Shipment Share by Supplier



Source: DisplaySearch Q3'09 *Quarterly Notebook PC Shipment and Forecast Report*

16:9 Widescreens and LED Backlights Become Popular

For the LCD monitor and notebook PC markets, 2009 has seen new trends in display products become mainstream and surpass conventional products. In particular, two major trends stand out: the accelerated adoption of LCD panels with a 16:9 aspect ratio and the penetration of LED backlights into notebook PCs.

For LCD monitor and notebook PC panels, the trend toward a 16:9 aspect ratio was proposed by panel suppliers who sought to improve their production efficiency in 2007 or early 2008. After that, 15.6" became the mainstream screen size in the notebook PC market, and 18.5", 20.0" and 21.5" became the mainstream in the LCD monitor market, as the panel suppliers desired. The 16:9 penetration rate for notebook PC panels reached 50% in 2009. In 2010, DisplaySearch forecasts that 16:9 products will be the mainstream in the monitor panel market where a demand for conventional square-type models (such as 5:4) remains strong mainly for business users. The aspect ratio transition is entering its final stage.

LED backlights were initially embedded in mobile notebook PCs, which were proclaimed to be "thin, lightweight and with a long-lasting battery." With the trend toward environmentally-conscious products and with falling prices for white LEDs, the number of manufacturers adopting LED backlights for their products increased rapidly. However, DisplaySearch forecasts that LED backlights will not show a straight penetration in the market. One reason is that the cost difference between LED backlights and CCFL backlights became obvious due to plunging panel prices last year; another reason is that demand for panels with LED backlights concentrated in 2H'09 and will lead to premium prices. Nonetheless, more than half of notebook PCs shipped in 2H'09 are expected to have LED backlights, and the penetration rate of LED backlights is expected to reach almost 100% in 2013.

LED backlights have not penetrated LCD monitors as quickly as notebook PCs because the cost difference between LED backlights and CCFL backlights exceeds 10% of the panel price. Instead, the emergence of power-saving monitors (called "eco-monitors") with fewer CCFLs than conventional ones is a trend in the LCD monitor market in 2009. These trends are explained in the proceedings of a comprehensive display market seminar, **DisplaySearch 17th Japan Forum**.

Demand Recovery Depends on B2B Market in North America

As mentioned above, the recent trends in the market show some signs of bottoming out, including the steady shipments of mini-notes and the price reductions of LCD monitors. However, these trends are seen mainly in the B2C (business-to-consumer) market. The shipments in the B2B (business-to-business) market have not been increasing. The key to full-scale demand recovery depends on trends in the B2B market in North America where the economic crisis started. We should keep careful watch on the performance indicators of North American companies.

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