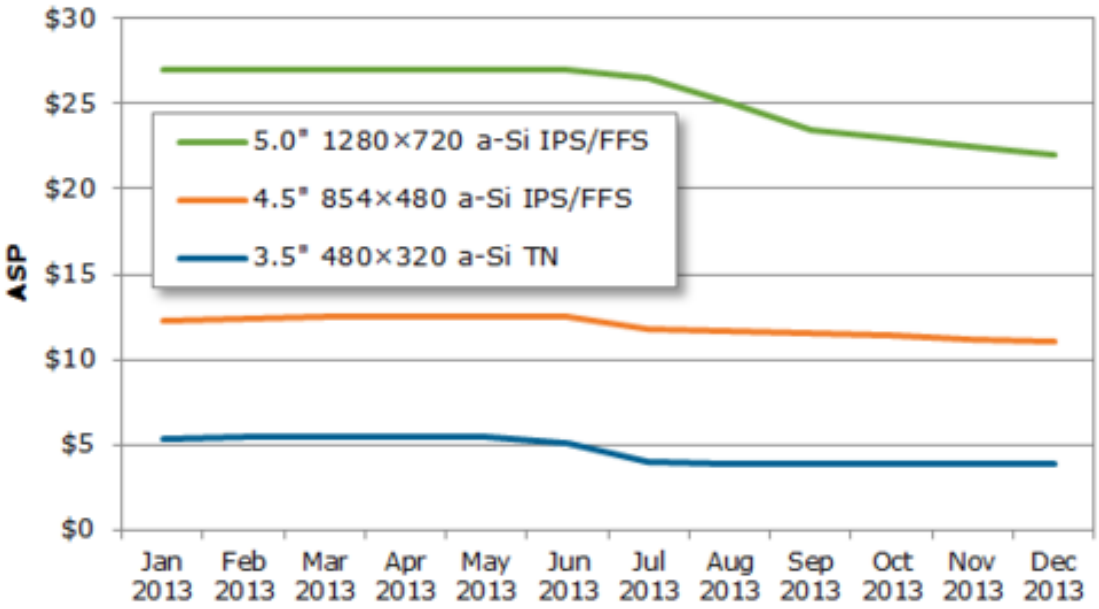
Weak Demand and Expanding Capacity Lead to Ongoing ASP Declines for Smartphone Displays

NPD DisplaySearch



Tablet PC display ASPs remain stable, but declines expected in Q4

Santa Clara, Calif., November 4, 2013—Weak demand from white-box brands and expanding production capacity for smartphone panels led to a month over month decline in ASPs for smartphone displays in September 2013.

According to the NPD DisplaySearch Monthly Smartphone and Tablet PC FPD Pricing Report, strong competition from branded entry-level products had made demand for white-box brands weak for months. Panel makers, however, continued to expand their smartphone panel capacity, which led to declines in smartphone display ASPs in July, August, and September. These declines were also due in part to efforts by panel makers to boost shipments of smartphone displays greater than 3.5”. Meanwhile, China Mobile stopped subsidizing 3.5" phones, so the industry in China has moved to larger sizes.

For example, after increasing to $12.50 in Q2’13, ASPs for 4.5’’ 854 × 480 IPS/FFS mode modules fell to $11.70 in August and $11.50 in September, and prices are expected to decline still further, dropping to $11.20 by November. “Compared with 2012, panel makers are facing weaker growth of smartphone shipments, but greater interest in larger panels,” said Terry Yu, small/medium displays and display technologies analyst for NPD DisplaySearch. “This has caused them to expand capacity and compete based on price.”

Unlike the smartphone display market, major tablet PC brands negotiate ASPs on a quarterly basis; therefore, ASPs for mainstream tablet PC FPDs were unchanged in

September, but are expected to decline in Q4’13, as manufacturing capacity is re-allocated from higher-generation fabs that were originally designed for large panel production. One exception was the iPad Retina display panel, which increased in price in September as production for the iPad Air ramped up.

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