Worldwide Electronics and Information Technology Production Trends (First issue)

Japan Electronics & Information Technology Industries Association
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   (2005, 2006)

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1. Purpose of research

1. Process:
   Japanese electronics industry is at about 20 trillion yen on a domestic production scale. However, with development in globalization of companies, the production area is dispersed over many places of the world instead remaining in the country. It becomes difficult to grasp the actual scale of the whole electronics industry with only domestic production statistics.

2. Purpose of research:
   JEITA aim at making a clear production scale of worldwide electronics industry data. JEITA aim at grasping the positioning of Japanese companies in the world.

3. Range and a classification of research:
   An industrial range for electronic as follows.
   (1) Definition of electronics and information technology industry is include IT solution service.
   (2) Research items are based on electronics production definition from the Japanese Ministry of Economy Trade and Industry

   1. Electronics
      - Audio Visual equipment (AV)
      - Communications
      - Computer and peripheral
      - Other electronics (electric measuring instrument, electronic applied equipment, office equipment)

   2. Electronic parts / semiconductor
      - Electronic parts
      - Display devices
      - Semiconductors

   3. IT solution / Service

1. World production revenue (2005 Results)
   1) Electronics and IT solution industry is 184 trillion yen.
      * Electronics and IT solution industry = Electronics industry (140 trillion yen) +
         IT solution / Service (44 trillion yen)
      - Japanese companies are 44 trillion yen. (World share: 24%)
   2) Electronics industry is 140 trillion yen.
      * Electronics industry = Electronics (89 trillion yen) + Electronic parts /
        devices (50 trillion yen)
      - Japanese companies are 38 trillion yen. (World Share: 27%)
      - Domestic production of Japanese companies is 19 trillion yen. Offshore production ratio is 50%.

2. Year on year ratio (2006 forecast)

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006 forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>¥89T</td>
<td>¥140T</td>
</tr>
<tr>
<td>Domestic</td>
<td>¥50T</td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>¥38T</td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>¥19T</td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>¥89T</td>
<td></td>
</tr>
</tbody>
</table>
3. World production by sales: breakdown of 184 trillion Yen in 2005

**Electronics industry (140 trillion yen)**

<table>
<thead>
<tr>
<th>Component</th>
<th>Sales (Trillion Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Electronics</strong></td>
<td></td>
</tr>
<tr>
<td>AV (15.0 trillion yen)</td>
<td></td>
</tr>
<tr>
<td>TV (7.4 trillion yen)</td>
<td></td>
</tr>
<tr>
<td>DVD/Digital camera/Video camera</td>
<td></td>
</tr>
<tr>
<td>Car AVC (2.7 trillion yen)</td>
<td></td>
</tr>
<tr>
<td>Audio (1.8 trillion yen)</td>
<td></td>
</tr>
<tr>
<td><strong>IT Solution service</strong></td>
<td></td>
</tr>
<tr>
<td>System Integration (14 trillion yen)</td>
<td></td>
</tr>
<tr>
<td>Outsourcing (13 trillion yen)</td>
<td></td>
</tr>
<tr>
<td><strong>Software</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Electronic parts / device</strong></td>
<td></td>
</tr>
<tr>
<td>Semiconductor (25.7 trillion yen)</td>
<td></td>
</tr>
<tr>
<td>Display device (7.6 trillion yen)</td>
<td></td>
</tr>
<tr>
<td><strong>Electronic IT industry</strong></td>
<td></td>
</tr>
<tr>
<td>184 trillion yen</td>
<td></td>
</tr>
</tbody>
</table>

*There is the case that a breakdown and a value in total do not match concerning rounding off.

*Office equipment in this category is mainly "Copier". Products having printer functions such as digital composition machines is included in "the printer " of computer peripheral.
**World production of Japanese companies by sales**

: Breakdown of 44 trillion Yen in 2005

**Electronics industry (¥7.9 trillion yen)**

- **Electronics (¥1.7 trillion yen)**
  - AV (¥7.2 trillion yen)

  - **TV (¥2.9 trillion yen)**
  - **DVD/ Digital camera/ Video camera (¥2.2 trillion yen)**
  - **Car AVC (¥1.6 trillion yen)**

- **Communications (¥4.0 trillion yen)**
  - **Cellular phone (¥1.9 trillion yen)**
  - **Cable broadcasting communications equipment (¥1.3 trillion yen)**

- **Computer and peripheral (¥7.9 trillion yen)**
  - **PC (¥1.6 trillion yen)**

  - **Peripheral (¥5.7 trillion yen)**
    - HDD/Laser Disk device/ semiconductor memory card/
    - LCD monitor/Printer/
    - Scanner/Duties terminal

  - **Server/ Storage (¥0.6 trillion yen)**

  - **Other equipment (¥0.8 trillion yen)**

- **Other electronics (¥2.6 trillion yen)**
  - **Audio (¥0.5 trillion yen)**
  - **Electrical measuring Instruments (¥0.8 trillion yen)**

**Electronic parts / device (¥16.2 trillion yen)**

- **Semiconductor (¥6.4 trillion yen)**

- **Display device (¥2.4 trillion yen)**

- **Electronic parts (¥0.4 trillion yen)**

**IT Solution service (¥5.8 trillion yen)**

- **System Integration (¥2.6 trillion yen)**

- **Outsourcing (¥2.5 trillion yen)**

- **Software (¥0.7 trillion yen)**

**World production by Japanese companies in electronic & IT solution industry**

44 trillion yen

About 1/4 of the worldwide production

*There is the case that a breakdown and a value in total do not match concerning rounding off.

*Office equipment in this category is mainly “Copier”. Products having printer functions such as digital composition machines is included in “the printer” of computer peripheral.
Japanese companies share of worldwide production (2005)

**Electronics industry (140 trillion yen)**
- Japanese companies production (38 trillion yen)
- Domestic production (19 trillion yen)

**Electronics and IT solution industry:**
- World production (184 trillion yen)
- Japanese company production (44 trillion yen)

- **Communications**
  - 24.7 trillion yen

- **Computers and peripheral**
  - 40.9 trillion yen

- **IT solution service**
  - 44.1 trillion yen

- **Electronics**
  - 89.4 trillion yen

- **Electronic parts**
  - 17.0 trillion yen

- **Semiconductors**
  - 25.7 trillion yen

- **Display Devices**
  - 7.6 trillion yen

- **Other electronics**
  - 8.8 trillion yen

Japanese companies have a high share in AV equipment and electronic parts.

*There is the case that a breakdown and a value in total do not match concerning rounding off.*
6. Situation of production in Japanese companies

1. "Domestic production" and “total production included offshore production” of electronics industry with growth rate.

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic production (YoY growth)</td>
<td>18.8 trillion yen</td>
<td>20.1 trillion yen (6.6%)</td>
</tr>
<tr>
<td>The Japanese production include offshore production (YoY growth)</td>
<td>37.9 trillion yen</td>
<td>40.0 trillion yen (5.5%)</td>
</tr>
</tbody>
</table>

2. The offshore production ratio (2005) becomes about 50% of total production and has already become equal with the domestic production volume.

   High offshore production ratio; PC peripheral (88%), Electronic Parts (67%), AV (65%)

3. AV and Electronic Parts – High market share by Japanese companies

   Video/Digital Camera (86%), office equipment (89%), car AVC (61%), Electronic Parts (50%), video equipment (42%), Televisions (40%) PC peripheral (39%).
### Appended Data:

**World production of Electronics and IT solution industry in 2005**

<table>
<thead>
<tr>
<th>Country</th>
<th>Asia</th>
<th>Europe</th>
<th>North America</th>
<th>Latin America</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Note: The rest of the table contains data on production, but the specific details are not visible in the image.*
### World production of Electronics and IT solution industry in 2006

<table>
<thead>
<tr>
<th>Industry Group</th>
<th>Asia</th>
<th>Europe</th>
<th>North America</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Marketing</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Note: Data represents production in millions of dollars.*
1. Main data source

- **Macro data** (Statistics of major country's production)
  - Adjusted those data by using same definition.
  - Factory production base (including inventory and export). Remove double count between areas as much as possible.

- **Main product** (production unit and sales).
  - Direct contact and survey of 32 main products (PC, mobile telephone, DSC, etc).

2. Count method

   It is estimated by the production results of a main maker, various industry documents, statistics of each country.

3. Inspection method of data

   Main product data is checked by using key components such as semiconductor.
   For example, MPU shipment amount for Personal computer, optical pick-up part shipment for DVD recorder.

(Reference) data source

- Government data of each country : Production data (Official statistics)
- Direct contact and survey of 32 main products
- Industry society document of each country
  - Japan, U.S.A., EU
- Industry newspaper and magazine
  - Japan, U.S.A., EU, China, Korea, Taiwan
- Main company information
  - Press release, original data source
- Market reports of various research company