



TOP NEWS Keeping it round with the 23.6" TFT-LCD Circle Display from Litemax

< BACK TO EUROPE

An eye on 2020

Posted on December 25, 2019 by Electronics Sourcing



John Denslinger is a former executive VP Murata, president SyChip Wireless, and president/CEO ECIA, the industry's trade association. His career spans 40 years in electronics

To start the year, John Denslinger peers into his crystal ball to see how the triple impacts of 5G, IoT and the Cloud will drive growth in 2020 – By John Denslinger

Usually 2020 indicates one has excellent eyesight: the natural ability to see far and near with equal clarity. Isn't foresight a wonderful gift? If only we had similar vision forecasting the coming year.

2019 might best be described as a year of retrenchment. Previous growth markets softened, new applications grabbed little attention, lead times remained extended, inventories stymied, and the book-to-bill stayed mostly negative throughout the year. Perhaps the biggest drag was the stalling out of 4G smart phone production and the demand fall-off left in its wake. 2020 looks to be another story.

For the record, I don't profess to have 2020 vision, especially the ability to see far into the second half with absolute clarity. My forecast is merely reading market conditions, applying typical component cycle trends, assessing the health of the global economy, and looking for potential roadblocks to progress. For the moment, let's assume suppliers invested in the appropriate technology, expanded their production capacity to meet increasing demand, and perhaps the greatest unknown, our industry avoids those tangential risks that hinder growth (more on this point later).

As for market conditions, look for three main drivers according to Dale Ford, chief analyst at ECIA: 5G, IoT, and 'the Cloud'. He describes as the 'forces coming together'. I see it as a symbiotic relationship. The build out of every future infrastructure will incorporate, by necessity, all three technologies for seamless communications. Notice 5G captures most of the media headlines, but the ramp in component demand will likely not occur until late in the year. That means IoT will initially lead the way entering 2020. The demand for sensors of all types, wireless connectivity, gateways, microcontrollers, antennas, and energy enabling devices will be great. Closely following will be the Cloud. It too will resume a major growth role in 2020 as more data centers are needed to handle massive amounts of data captured via IoT and transmitted through 5G communication networks. Processors, power management and sensors will be sought in volume. And coming back to 5G, while it may be slow coming, it will soon become the industry's tsunami. As production ramps, global demand for all components will be enormous. It may make the 4G component shortage of 2017-18 look small.

Adding further credence to this positive growth projection is semiconductors. According to Dale Ford, semis are about to start a new annualized growth cycle around mid-2020 typical of its four year trend history. That seems to fit the market conditions just described above assuring an upward path is likely.

As for the global economy, significant infrastructure build-outs will accelerate. Each will ultimately deploy all three technologies. The key deliverable driving the investment: leadership.... countries and companies seeking to establish dominant global, competitive advantages

Lastly, I spoke of potential roadblocks and tangential risks that may stymie growth. Among those concerns are: expanded trade barriers; anti-competitive regulatory measures; cybersecurity intrusions; and disparate rules governing a free internet. Any one of these risks could negate the growth and benefit of 5G. Let's hope wiser heads prevail.

By now you might surmise 2020 should be a growth year and you would be right. But given the soft lead-in from 2019, 2020 Q1 will be flat with gradual acceleration starting mid-Q2.

This entry was posted in [Europe](#), [Events](#), [Global](#), [North America](#), [On Ticker](#), [top articles](#), [UK](#). Bookmark the [permalink](#).

0 Comments **Electronics Sourcing**

 Login ▾

 Recommend  Tweet  Share

Sort by Best ▾



Start the discussion...

LOG IN WITH

OR SIGN UP WITH DISQUS 

Name

Be the first to comment.

 Subscribe  Add Disqus to your site [Add Disqus](#)  Disqus' Privacy Policy [Privacy](#) [Policy](#) [Privacy](#)

© MMG Publishing Ltd UK 2020

Electronics Sourcing UK

Electronics News

HOME

UK

- BUYERS GUIDE UK
- CABLE & WIRING
- CONNECTORS
- CONSUMABLES
- CONTRACT MANUFACTURING
- DISPLAYS & LEDS
- DISTRIBUTION
- ELECTRO MECHANICAL
- ENCLOSURES
- FREQUENCY CONTROL PRODUCTS
- KITTING
- MISCELLANEOUS
- OBSOLESCENCE
- PASSIVES
- PCBS
- POWER SUPPLIES & BATTERIES
- SEMICONDUCTORS
- SENSORS
- SWITCHES AND KEYBOARDS
- THERMAL MANAGEMENT

EUROPE

- BUYERS GUIDE EU
- CABLE & WIRING
- CONNECTORS
- CONSUMABLES
- CONTRACT MANUFACTURING
- DISPLAYS & LEDS
- DISTRIBUTION
- ELECTRO MECHANICAL
- ENCLOSURES
- FREQUENCY CONTROL PRODUCTS
- KITTING
- MISCELLANEOUS
- OBSOLESCENCE
- PASSIVES
- PCBS
- POWER SUPPLIES & BATTERIES
- SEMICONDUCTORS
- SENSORS
- SWITCHES AND KEYBOARDS
- THERMAL MANAGEMENT

NORTH AMERICA

- BUYERS GUIDE NA
- CABLE AND WIRING
- CONNECTORS
- CONSUMABLES
- CONTRACT MANUFACTURING
- DISPLAYS AND LEDS
- DISTRIBUTION
- ELECTRO MECHANICAL
- ENCLOSURES
- FREQUENCY CONTROL PRODUCTS
- KITTING
- MISCELLANEOUS
- OBSOLESCENCE
- PASSIVES
- PCBS
- POWER SUPPLIES AND BATTERIES
- SEMICONDUCTORS
- SENSORS
- SWITCHES AND KEYBOARDS
- THERMAL MANAGEMENT

SUBSCRIBE & RENEW

ABOUT US

- MEET THE TEAM

MEDIA

- ELECTRONICS SOURCING INDUSTRY FOOTBALL MATCH 2019
- ELECTRONICS SOURCING INDUSTRY FOOTBALL MATCH 2018
- ELECTRONICS SOURCING INDUSTRY FOOTBALL MATCH 2017
- ELECTRONICS SOURCING INDUSTRY FOOTBALL MATCH 2015
- ES LIVE 2014 MILTON KEYNES
- ES LIVE BOSTON 2013
- ES LIVE 2013 MILTON KEYNES

ANOTHER [CODEPOTATO] CREATION