Written by Marco Attard
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According to TrendForce's WitsView global LCD TV panel shipments total 123.35 million units in H1 2017, a -0.1% Y-o-Y decline, with demand for mid-size panels offsetting the traditional seasonal effect during H1 2017.

The industry was faced with the risk of tightening panel supply following the closing of the Samsung Display L7-1 Gen-7 fab at the end of 2016, leading to TV brands stocking up on panels.

Table: Ranking of Top TV Panel Suppliers by Worldwide Shipments, 1H16 vs. 1H17 (Unit: K pcs)

Company	1H16 Ranking	1H16 Shipments	1H17 Ranking	1H17 Shipments	YoY
LGD	1	25,559	1	25,227	-1.10%
Innolux	4	19,812	2	20,253	2.20%
BOE	2	22,435	3	19,504	-13.10%
SDC	3	21,416	4	18,410	-14.00%
CSOT	5	14,867	5	18,172	22.20%
AUO	6	12,995	6	13,281	2.20%
Others	7	6,466	7	8,452	102.20%
Total		123,530		123,349	-0.10%

Source: WitsView, Jul., 2017

In the meantime prices of panels in the 40-43-inch size range are up by an average of nearly 70%, the result of TV brands shifting demand towards larger size segments. Thus, the average TV panel size is 44.7-inch in H1 2017, a 1.7-inch increase from H1 2016, and global shipments of TV panels in total area for H1 2017 is also up by 8.7% Y-o-Y.

“Though the TV panel market is entering the traditional peak period for stock-up activities, TV makers are finding that the excessively high panel cost is severely compressing their profit margins,” WitsView says. “Also, more than 60% this year’s newly added panel production capacity will become available in H2 2017. The steady expansion in the overall supply will create the condition for a significant downward price correction.”

The analyst adds much of TV panel demand will continue to concentrate in the 55-inch and larger segments in H2 2017. Shipments for the period are forecast to grow by 4.1% in volume, as China's BOE Technology and HKC take on additional production capacity in their respective fabs. Total shipment area is also projected to grow by 10% Y-o-Y.

When it comes to producers, LG Display (LGD) is the top supplier of H1 2017, shipping 25.28m units (a -1.1% Y-o-Y decrease). The company was affected by the conversion of its Gen-8.5 fab from LCD to OLED production, as well as the adjustment of its product mix to allocate more production capacity to 23.8-27-inch monitor panels.

Meanwhile 2nd placing Innolux adjusted its product mix to expand production capacity for 65-inch panels, while reducing capacity for the 39.5-inch segment. The move increased both profit and shipments, as H1 2017 shipments are up by 2.2% Y-o-Y to 20.25m units. In 3rd place is BOE, whose shipments are down by -13.1% Y-o-Y to 19.5m, the result of a drop in 32-inch panel production in order to expand notebook panel shipments.

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