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. 1 H 17 (Unit: K pcs)

| Company | 1H16 Ranking | 1H16 Shipments | 1 H 17 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 | 2) (1) 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 H 1 2017, a 1.7-inch increase from H 1 2016, and global shipments of TV panels in total area for H 12017 is also up by $8.7 \% \mathrm{Y}-\mathrm{o}-\mathrm{Y}$.
"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 H 2 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 H 2 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 H 12017 shipments are up by $2.2 \%$ Y-o-Y to 20.25 m units. In 3rd place is BOE, whose shipments are down by $-13.1 \%$ Y-o-Y to 19.5 m , the result of a drop in 32 -inch panel production in order to expand notebook panel shipments.

Go TrendForce Reports Average Size of TV Panels Grew to 44.7 Inches in H2 2017

