

As Black Friday approaches, we receive news how little the global CE market is growing in 2011-- revenue growth will only reach a mere 1.5% Y-o-Y, according to IHS iSuppli.



And, no, the holiday season won't manage to salvage the entire year.

Such estimates represent a -77% reduction of previous iSuppli forecasts saying 2011 revenue growth was to reach 6.4% Y-o-Y.

This is clearly not the case now-- forecasts now say WW 2011 CE revenues will total \$357.3 billion, from 2010 totals of \$351.9BN and growth reaching 7.9% Y-o-Y.

"...It's becoming apparent that sales in 2011 will fall well short of expectations, as economic issues take their toll," iSuppli says.

The main factor in the year's forecast reduction is a slow LCD TV market. Accounting for nearly 30% of CE revenues, iSuppli forecasts LCD TV revenues will reach \$104BN (from previous estimates of \$110BN) even if "the segment retains solid momentum going forward."

Some good news remains, though-- the analyst predicts TV and Blu-ray player sales will reverse the negative trend in the holiday season-- topping 2010 levels by Q4 2011, and showing growth of over 4% Y-o-Y in 2012 and 2013.

## iSuppli: Q4 Won't Salvage the Rest of 2011

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Unit shipments should also remain solid, with volumes increasing "...at a pace that will neutralize the effects of any price declines." iSuppli forecasts LCD TV shipments will reach 300M and Blu-ray players will total 80M by 2015, while "stolid" categories such as STB players will reach over 100M units.

However, the CE market remains dollar-conscious-- even if consumer appetites for CE equipment remain strong, vendors won't be able to offer competitive prices. Thus, price pressures outweigh growing inventory levels, resulting in capped CE market revenues and growth slowdown.

Go [On Eve of Black Friday, CE Market Faces Reality of Weak Year](#)