

# Trillion-dollar forecast for gadget sales

January 5 2011, by Chris Lefkow

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A woman speaks on her mobile phone in Beijing. With a major US consumer electronics trade show set to open this week, organizers are forecasting that global gadget sales may top one trillion dollars this year for the first time ever.

As the top US consumer electronics trade show prepares to open this week, organizers are forecasting that global gadget sales may top one trillion dollars this year for the first time ever.

The Consumer Electronics Association (CEA) said Tuesday that worldwide annual spending on mobile phones, computers, television sets and other items is expected to rise 10 percent in 2011 to 964 billion dollars.

"We may very well hit the trillion mark," said Steve Koenig, director of industry analysis for CEA, organizer of the annual [Consumer Electronics Show](#) (CES), which kicks off in Las Vegas on Thursday.

"I'm bullish," Koenig told reporters. "That number is truly within reach."

Sales of smartphones, touchscreen tablet computers, electronic book readers and flat-panel liquid crystal display (LCD) television sets are among the items expected to power the industry to record heights.

Many of the latest devices will be on display on the sprawling show floors at the Las Vegas Convention Center, where the four-day event is expected to attract more than 125,000 visitors from around the world and 2,600 exhibitors.

The CEA said it expected consumer electronics sales to grow by 23 percent in Western Europe this year and 15 percent in both North America and China.

Growth for Asia -- excluding China and Japan -- was forecast at 12 percent.

Consumer electronics sales were expected to increase by 10 percent in South America, eight percent in Japan, seven percent in Africa, five percent in Eastern Europe and four percent in the Middle East.

Consumer electronics sales increased 13 percent in 2010 to 873 billion dollars after falling nine percent in 2009 in the depths of the [recession](#).

CEA chief economist Shawn Dubravac said smartphones and tablet computers like Apple's popular [iPad](#) were expected to be among the hottest items in 2011.

"The standard handset is a declining market," Dubravac said. "All the growth you see is in smartphones."



A woman tries out a new Samsung "Galaxy" at a consumer electronics fair in Berlin. Consumer electronics sales increased 13 percent in 2010 to 873 billion dollars after falling nine percent in 2009 in the depths of the recession.

The CEA forecast that [tablet computer](#) sales would double this year over last year to around 30 million units while e-readers such as Amazon's Kindle would ring up sales of nearly 20 million units worldwide.

"Tablets will be one of the key themes at this year's show," Dubravac said, as technology companies seek to emulate the success of Apple's iPad.

"I wouldn't be surprised if we saw 100 plus tablets at CES," he said, adding that the optimal price point for the devices appears to be around 350 dollars.

The CEA said mobile computers -- which include tablets -- will account for 220 billion dollars in total personal computer sales of 316 billion dollars in 2011, with desktop computers accounting for the remaining 96

billion dollars.

Web-connected televisions are expected to see continued growth with the CEA forecasting that 52 percent of TV sets sold in 2014 would allow users to access the Internet.

Just nine percent, or 3.2 million, of the TV sets sold last year were Internet-enabled, according to the CEA, a figure expected to jump to 15 percent, or 5.2 million, in 2011.

While Web-connected TVs are expected to take off and LCD TV sales are forecast to remain strong, 3D television sets have yet to catch on, in part because they are still considered to be too expensive, Dubravac said.

He added that an emerging trend across devices -- from smartphones to tablet computers to TV sets -- was the increasing popularity of the dedicated mini-programs known as applications.

"Apps are huge," he said.

Half of all mobile device owners use applications, according to a CEA study, with communications, weather, maps, music, news, games and social networking among the most popular.

"We'll see a lot more shopping apps," said Ben Arnold, CEA's senior research analyst. "Apps that empower consumers."

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