

China: Consumer electronics (TV) industry

<Industry overview> World's top in both production and sales

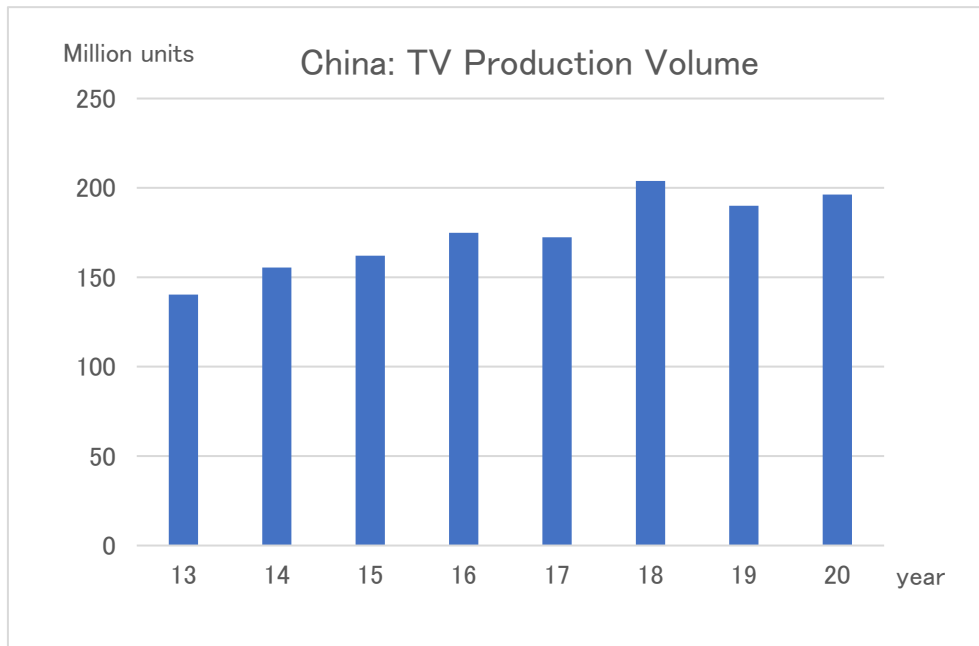
The Chinese TV industry is the world's largest in terms of both production and sales, with a production capacity that accounts for 70% of the global market. The production volume is about 196 million units, and the sales volume is 44.5 million units (2020). Speaking of Chinese consumer electronics manufacturers, they previously sold OEM (Original Equipment Manufacturer) products with low prices as the selling pitch, but the brand power is increasing globally as research and development capabilities strengthen.

<Production / Export> Production exceeded 200 million units in 2018, and 2022 is the first positive growth in two years

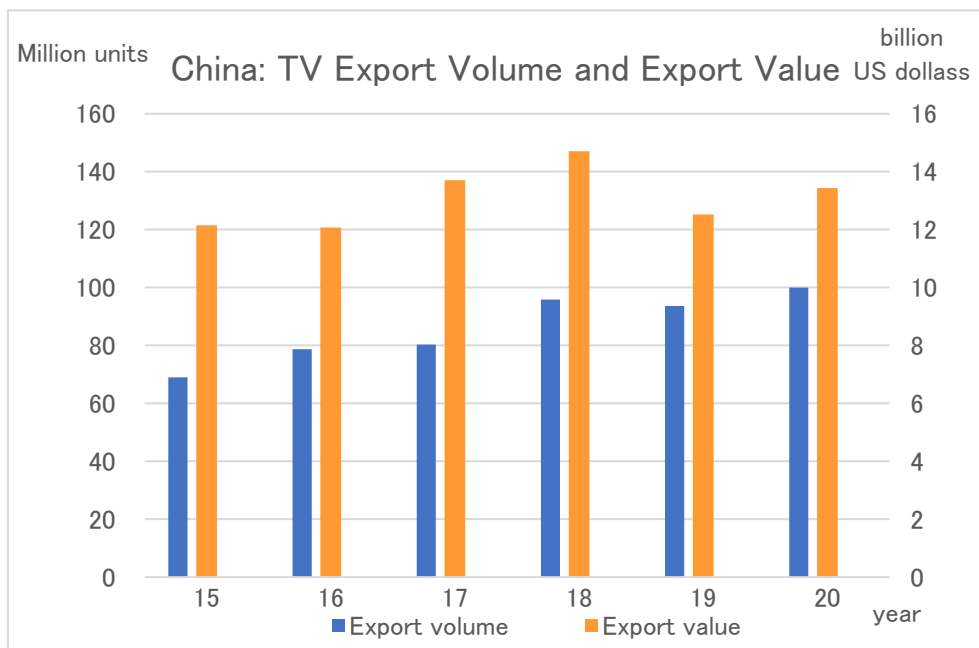
TV production volume exceeded the 200 million unit mark for the first time in 2018. In 2019, it fell by 6.8% to 189.99 million units, but in 2020 contrary to the negative trend set by the new coronavirus (Covid-19) outbreak, it recovered to 196.26 million units, the first positive growth in two years. Of these, LCD TV exports increased 6.8% to 99.94 million units (13.43 billion US dollars, up 7.3% on a value basis). Following the global spread of Covid-19, as supply shortages become more apparent, China which succeeded in containing the infection at a relatively early stage, took global export market share, as a substantial amount of overseas production demand shifted to China. Africa, which has a low percentage of TV ownership, is the main market for exports.

On the other hand, domestic sales in 2020 decreased by 9.1% from the previous year to 44.5 million units. Retail sales fell 11.7% to 120.9 billion yuan, falling below the previous year's level for the third consecutive year. Weak new and replacement demand, as users shift to smartphones and tablets, and a younger consumer segment weighed on the market.

However, according to media reports, as of December 2020, the average online sales price rose 27% year-on-year to 2,569 yuan due to soaring LCD panel prices.



(Data compiled by Ashu Research based on the National Bureau of Statistics data)



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<Industry competitive layout> Fast-growing Xiaomi emerges at the top of the market share

In the Chinese TV market, five major domestic companies have been engaged in a fierce battle for market share. Hisense Group (Hisense), Skyworth Digital, TCL, Sichuan Changhong Electric, Konka Group (Konka), etc. occupy the top ranks. However, the industry map has changed rapidly in the past few years. Other high-tech companies such as Xiaomi Corporation (Xiaomi), Huawei Technologies, and Vivo Mobile Communications (vivo) entered the TV market one after another. Among these, Xiaomi, which focuses on smart appliances, has gained a significant market share in just three years. According to various reports, Xiaomi emerged at the top with a 19.8% market share in 2020. Skyworth Digital followed with 15.8%, Hisense with 15.5%, and TCL with 13.7%. Traditional TV makers Sichuan Changhong Electric (6.8%) and Konka (6.5%) have lost significant ground.

TV Market Share in 2020

Xiaomi Corporation	19.8%
Skyworth Digital	15.8%
Hisense Group	15.5%
TCL	13.7%
Haier Smart Home	9.1%
Sichuan Changhong Electric	6.8%
Others	19.3%
Total	100.0%

(Data compiled by Ashu Research based on data such as news reports from each company)

(Ashu Research: February 2022)