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Darnell Group

NEWS

Communications Power Systems: Solid Opportunity or Rough Road?

Corona, California, September 16, 2009 – Darnell’s just-released “Global Communications Power: A White Paper on Recent Market Trends and Forecasts,” is the latest analysis of this important segment of the power electronics industry. The current economic downturn is posing a number of challenges to the communications power supply industry. Conventional wisdom reasons that industries across the board would be hurt, but a closer look reveals a much more optimistic scenario. One of the areas projected to remain strong is broadband services, which despite the lull in consumer spending, continues to attract millions of new subscribers each month.

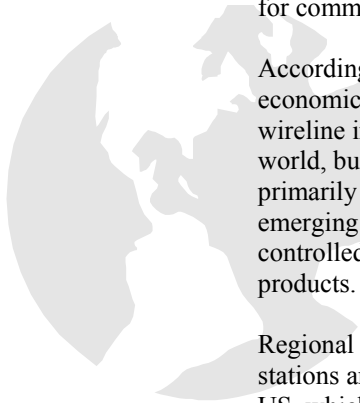
“Depending on what you read, the overall telecommunications market is either on solid ground or has a tough road ahead,” stated Linnea Brush, Senior Analyst with Darnell Group. “For makers of communications power systems, the questions are spread over a number of different segments, from customer premises equipment, to wireless, to central offices, to emerging data communications technologies. This White Paper identifies the current market trends and quantifies sales opportunities for communications power systems,” Ms. Brush continued.

According to Brush, the telecommunications industry never really recovered from their own economic downturn in the early 2000s, and sales of energy systems suffered from a decline in wireline infrastructure buildout. Wireless fared much better, especially in emerging regions of the world, but unit sales of rectifiers and external dc-dc are still low. The forecasts in this white paper are primarily replacement sales for wireline applications and a combination of new buildouts (in emerging markets) and upgrades (in developed countries) for wireless installations. Digitally controlled rectifiers are a trend in the high-end communications market, with very specialized products.

Regional trends tend to define this market. For example, Over 50% of the world’s mobile base stations are connected using point-to-point microwave technologies. The exception to this trend is the US, which comprises just 4% of the world’s microwave radio deployments, primarily due to the extensive availability of cost-effective leased-line services, which make up the bulk of backhaul connections.

Also, due to aggressive Fiber-to-the-Node deployments in a number of countries, VDSL shipments are finding wide-scale application in markets outside of Asia-Pacific, resulting in the acceleration of Remote Terminal deployments throughout the forecast period. Of the remaining applications, wireless technologies are the largest portion of the traditional telecommunications equipment market, with emerging regions leading the build-out. These regions have potential, but they are still not the large markets represented by North America, Europe and Japan. In customer premises equipment (CPE), traditional PBX accounts for less than 5% of total market revenue. “Hybrid” PBXs are expected to account for about 78% of PBX line shipments in 2009. IPTV is fueling the CATV headend market.

Darnell Group is the leading source for worldwide strategic information covering the full spectrum of power electronics, energy storage and generation. The company specializes in the economic/business analysis of emerging power markets and technologies. Complete information on “Global Communications Power: A White Paper on Recent Market Trends and Forecasts,” is available at: http://www.darnell.com/store/product_info.php?cPath=2_24_28&products_id=97



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