2014 Connected Device Production to Hit 6 Billion

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More and more devices in production will include internet connectivity, according to a new report from IHS iSuppli. The research firm forecasts the connected device market to surpass 6 billion in 2014.

IHS estimates worldwide production of connected equipment will amount to 6.18 billion units this year, up 6 percent from 5.82 billion in 2013. That's the largest increase for the market in four years.

IHS defines connected as "equipment that allow users to interact with the Internet in some fashion, from as passive an activity as simply looking at photos in social media or streaming media content for consumption, to a livelier form of engagement, such as gaming in real time. The devices must possess embedded connectivity, made possible through built-in semiconductors."

Among connected devices, those expected to enjoy higher production numbers this year include video game consoles, media tablets, mobile handsets, liquid-crystal display televisions (LCD TVs), set-top boxes and mobile PCs.

In contrast, IHS expects declines in digital still cameras, camcorders, desktop PCs, DVD players/records and portable media players.

On the mobile side, IHS expects media tablets and cellphone production to rise 25 percent for the former and 7 percent for the latter. In particular, the outsize presence of market leaders Apple and Samsung will keep average selling prices elevated as a whole, resulting in larger factory revenue projections.

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