Infrared imaging market: the best strategy to survive …

*Uncooled Infrared Imaging Technology & Market Trends report from Yole Développment*

**Lyon, France – July 24, 2014:** Yole Développement released beginning of July the technology & market study, *Uncooled Infrared Imaging Technology & Market*. Under this analysis, the company confirms the uncooled thermal camera market downturn in 2013, with -5% CAGR. “Military market downturn and high price erosion have deeply affected traditional infrared imaging margins for the past few years at both sensor and camera level”, explains Yann de Charentenay, Senior Analyst, MEMS & Sensors, Yole Développement. What is the best strategy to survive?

Low-end applications now drive overall growth, thus requiring much higher cost reduction at both material and manufacturing levels. In addition to technological developments to reduce material costs (see next paragraph), economies of scale have become a key competitive advantage. Thus, FLIR, the market leader, and many players at both sensor and camera levels try to target as many commercial markets as possible to aggregate volumes.

In order to react to the strong price pressure, Yole Développement identifies various trends depending on the business models of the companies:

- Vertically integrated players: with internal sensor manufacturing, these companies have an efficient cost structure to lead the price war happening in commercial camera markets: DRS and FLIR in the surveillance market, and FLIR and Fluke (for...
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pyroelectric) in the thermography market. Those camera makers focus on core and camera manufacturing and have outsourced sensor manufacturing to foundries (FLIR, DRS, and Raytheon) in order to reduce the sensor cost and benefit from the wafer level techniques of the foundries. Other vertically integrated companies (BAE, L3com and Lumasense ITC) will probably follow this path in the future.

- For sensor merchant suppliers: these players are under pressure because their camera customers can not follow the price war led by vertically integrated manufacturers. In order to maintain their competitiveness in front of the semiconductor foundries used by vertical companies, they have upgraded their production line to 8”, climbed up in the value chain by providing cores with increased integration, and they have also develop innovative MEMS technologies customized for infrared imaging.

Under Yole Développement’s report, analysts detail business strategies of the key players and supply chain dynamics that will deeply change the competitive landscape and create merger/acquisition opportunities in the next few years. They also detail market data on key uncooled infrared imaging market metrics & dynamics. This report is an analysis of traditional uncooled IR imaging applications: thermography, automotive, surveillance, and military. It provides key technical insights into future technology trends and challenges as well as an in-depth understanding of IR imaging value chain, infrastructure and players.

More information is available on www.i-micronews.com, Imaging reports section.

About Si Photonics 2014 report

- **Author:**

  Yann De Charentenay has worked for Yole Développement in the field of MEMS, materials and compound semiconductors since 2003. He has contributed to more than 60 marketing and technology analysis.

- **Companies cited in the report (non-exhaustive list)**

Raphael, Raytheon, RedShift, Safran, Sagem, Samsung Techwin, Sarnoff, SATIR, SCD, Scott, Schott, Selex Galileo, Sensonor, Sensors Unlimited, Silex, Sirica, Sofradir, Sofradir EC, Sumitomo Electric, Swarovski Optik, Syonix, Tamron, Teledyne DALSA, Testo, Thales, Thermelectronix, Toshiba & Trijicon, Tyndall, ULIS, Uelectronics, ULIRvision, Umicore, VDS Vosskühler, Vigo Systems, Xenics, Yukon Polaris, Zeiss, Ziptronix and more…

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For special offers and the price in dollars, please contact David Jourdan (jourdan@yole.fr or +33 472 83 01 90).

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