Global network: Although network upgrades will drive demand, imports will pose a threat
This industry manufactures wired (voice and data) telecommunications equipment, including telephone switching systems, telephones and answering machines, data bridges, routers, modems and gateways. During the past 10 years, this industry has increasingly focused on manufacturing internet protocol-based telecommunications and networking equipment.

**Main Activities**

The primary activities of this industry are:

- Wide area network (WAN) communications equipment (e.g. bridges, routers, gateways) manufacturing
- Modem manufacturing
- Switching equipment manufacturing
- Data communications equipment manufacturing
- Telephone systems and answering machine manufacturing

The major products and services in this industry are:

- Carrier line equipment and non-consumer modems
- Data communications equipment
- Telephone switches, network switches and switchboard equipment
- Other networking equipment and devices

**Similar Industries**

- **33422 Communication Equipment Manufacturing in the US**
  This industry manufactures wireless telecommunications equipment, primarily cellular transmitters.

- **S1711e VoIP in the US**
  Companies in the VoIP industry offer phone services that use the internet’s infrastructure rather than traditional telephone systems.

- **S1711d Internet Service Providers in the US**
  Internet service providers are major users of this industry’s products.

**Additional Resources**

For additional information on this industry:

- [www.fcc.gov](http://www.fcc.gov)
  Federal Communications Commission
- [www.tiaonline.org](http://www.tiaonline.org)
  Telecommunications Industry Association
- [www.ustelecom.org](http://www.ustelecom.org)
  US Telecom
Industry at a Glance
Telecommunication Networking Equipment Manufacturing in 2013

Key Statistics Snapshot

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
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</tr>
<tr>
<td>Annual Growth 08-13</td>
<td>-5.2%</td>
</tr>
<tr>
<td>Annual Growth 13-18</td>
<td>2.9%</td>
</tr>
<tr>
<td>Profit</td>
<td>$948.9m</td>
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<tr>
<td>Exports</td>
<td>$9.0bn</td>
</tr>
<tr>
<td>Businesses</td>
<td>233</td>
</tr>
</tbody>
</table>

Market Share
Cisco Systems Inc. 26.7%
Alcatel-Lucent 10.6%

Revenue vs. employment growth

Demand from wired telecommunications carriers

Products and services segmentation (2013)

- 59.7% Data communications equipment
- 17.2% Carrier line equipment and nonconsumer modems
- 13.5% Telephone switches, network switches and switchboard equipment
- 9.6% Other networking equipment and devices

Key External Drivers
Demand from wired telecommunications carriers
Number of broadband connections
Corporate profit
Trade-weighted index
Aggregate private investment

Industry Structure

- Life Cycle Stage: Decline
- Revenue Volatility: High
- Capital Intensity: Low
- Industry Assistance: Low
- Concentration Level: Medium
- Regulation Level: Heavy
- Technology Change: High
- Barriers to Entry: High
- Industry Globalization: High
- Competition Level: Medium

FOR ADDITIONAL STATISTICS AND TIME SERIES SEE THE APPENDIX ON PAGE 32
Industry Performance

Executive Summary

The Telecommunications Networking Equipment Manufacturing industry experienced fluctuating demand during the past five years due to economic instability and growing demand for imported goods. When the recession occurred in 2009, aggregate private investment fell 24.8%. Because private corporations are major purchasers of networking equipment, their reduced investments in the industry’s products hampered industry revenue growth. In addition, operators outsourcing production to low-wage countries has surged over the past five years. As a result, consumer demand for imported goods has grown, especially from China, causing a decline in demand for domestically manufactured products. In the five years to 2013, revenue is anticipated to decrease at an annualized rate of 5.1% to total $9.7 billion, but will grow 1.1% in 2013 alone.

Operators have moved abroad to take advantage of lower costs and improve profit

Improving economic conditions have encouraged wired telecommunications carriers and Internet service providers to upgrade networks for next-generation technologies; these customers demand very expensive and complex industrial routers and associated networking equipment. Fortunately for the industry, operators still manufacture this high-margin equipment domestically. Furthermore, industry profit margins increased as several players focused on designing and developing high-end networking equipment, and instead outsourced manufacturing to contract companies to reduce costs. Consequently, profit increased from 8.5% in 2008 to 9.8% in 2013.

The industry’s future prospects look good, with revenue growth anticipated through the five years to 2018. Upgrades to networks will continue to boost demand for industry products over the next five years, as the ongoing convergence in media and telecommunications technologies necessitates major information technology (IT) investments by Internet service providers and telecommunications carriers. In addition, as the economy recovers during the period, aggregate private investment from corporations is projected to rise at an average rate of 5.8% per year, which will encourage customers to invest in new networking equipment. However, competition from imports is expected to increase, thus causing several manufacturers to exit the industry. The number of enterprises is expected to fall at an annualized rate of 4.4% to 186 over the five years to 2018. Overall, during the five years to 2018, industry revenue is expected to rise an average of 2.9% per year to total $11.2 billion.

Key External Drivers

Demand from wired telecommunications carriers
Wired telecommunications carriers, including Internet service providers (ISPs), are the main users of this industry’s high-end products. The expansion and maintenance of telecommunications networks drives demand for networking equipment.

Demand from wired telecommunications carriers is expected to increase during 2013, representing a potential opportunity for this industry.

Number of broadband connections
The number of broadband internet connections reflects the importance of high-speed telecommunications

Industry Performance

Key External Drivers continued

networking. Consumers’ ability to enjoy the full breadth of content available on the internet requires a broadband internet connection because dial-up connections are too slow for today’s bandwidth-intensive applications. The number of broadband connections is expected to increase during 2013.

Corporate profit
Companies avoid investing in equipment or production capacity when profit is meager or losses are prevalent. During a recession, corporations often defer this kind of investment until the economic climate improves. Corporate profit is generally a leading indicator of demand for this industry and is expected to increase during 2013.

Trade-weighted index
Networking equipment manufacturing is increasingly moving overseas to low-cost countries like China. The trade-weighted index (TWI) reflects the relative value of the US dollar against the currencies of its trading partners; a higher TWI indicates a stronger dollar against these currencies, which means more expensive exports, resulting in fewer foreign purchases of industry products. The TWI is expected to increase during 2013, representing a potential threat to the industry.

Aggregate private investment
Private companies and individuals are major purchasers of networking equipment. For businesses, reliable and speedy internet access is increasingly important, especially for website hosting. As such, companies and consumers will invest in networking equipment to achieve reliable and speedy internet. Aggregate private investment is expected to increase during 2013.

![Graph of Demand from wired telecommunications carriers and Number of broadband connections]

SOURCE: WWW.IBISWORLD.COM
Industry Performance

Current Performance

The Telecommunications Networking Equipment Manufacturing industry produces wired telecommunications equipment, including network switches, routers, modems and gateways. Demand for industry products fluctuated during the recession, which resulted in consumers having less disposable income and private corporations reducing investments, thus causing revenue to decline. Additionally, consumer demand for foreign products increased, thereby harming sales for several domestic manufacturers. Consequently, during the five years to 2013, revenue is expected to decline at an average rate of 5.1% per year to total $9.7 billion, including expected growth of 1.1% in 2013 due to increasing downstream demand for industry products.

International trade

In 2009, private corporations reduced investment by 24.8% as a result of the recession, and industry revenue declined significantly because of it. At the same time, the move toward outsourcing network equipment manufacturing to low-wage countries increased, making way for international trade to grow throughout the industry over the period. The manufacturing of consumer-oriented networking equipment, primarily home routers, is highly concentrated abroad, whereas domestic manufacturers largely perform research and development, product design and high-end product manufacturing. Imports have grown as a share of domestic demand during the past five years, with about 55.0% of imports arriving from China, Thailand and Malaysia. Because these countries have low labor costs, they are able to price their products more competitively than domestic manufacturers, thus harming industry revenue. Furthermore, many operators, especially the major players, outsource most of their production to contract manufacturers in Asian countries to cut costs. Consequently, imports are expected to grow at an annualized rate of 2.2% to $37.8 billion during the five years to 2013.

Exports account for the bulk (93.5%) of industry revenue, although that figure is somewhat deceiving. Due to the extremely low level of domestic manufacturing that occurs in this industry, IBISWorld estimates that the majority of industry exports is reexported networking equipment (i.e. equipment that is imported and then subsequently exported with few or no changes made). Over the past five years, networking equipment exports have declined at an annualized rate of 5.3% to total $9.0 billion. The destinations of US networking equipment vary significantly. For example, Mexico and Canada account for less than one-fourth of exports due to their close geographic proximity to the United States and participation in the North American Free Trade Agreement, which reduces trade barriers.
Industry Performance

Profit dips and recovers

The recession caused industry profit margins to fluctuate during the past five years. During this period of economic instability, household disposable income dropped, thus causing demand for industry products to suffer. In addition, retail prices of consumer-oriented devices declined, harming profit margins. However, profit margins increased among several operators, especially the major players, due to their increasing focus on designing and developing networking equipment, leaving manufacturing to lower-margin contract companies. Contract manufacturers are able to operate at a larger capacity, which reduces per-unit production costs. Consequently, profit increased from 8.5% of revenue in 2008 to 9.8% in 2013. As more large players outsourced production to contract manufacturers (primarily in China), they were able to achieve cost savings that many small and midsize companies were unable to compete with. These cost savings allowed large companies to offer networking equipment to consumers at lower prices than what domestic manufacturers could offer. As a result of this competition, many smaller manufacturers left the industry. Consequently, the number of enterprises fell at an annualized rate of 6.3% to 233 over the five years to 2013.

Growing demand

More robust internet connections have changed the way individuals work, communicate and consume media. In urban and suburban areas, high-speed internet access is becoming increasingly common, and internet service providers (ISPs) have had to invest in their networks to keep pace with rapidly increasing internet traffic. As a result, industry players have experienced increased demand for networking equipment from downstream ISPs that are expanding their internet infrastructure. IBISWorld estimates that the number of broadband internet connections has increased significantly over five years to 2013, at an annualized rate of 17.5% to 263.3 million.

At the same time, consumer electronics manufacturers are beginning to sell internet-connected TVs and other devices that allow users to access web-based content in their living rooms and on the go. The rapid introduction of broadband-enabled devices has the potential to increase the strain on broadband networks and will require additional investment in its infrastructure, benefiting industry manufacturers. In addition, the industrial networking equipment that ISPs and other telecommunications carriers demand is very expensive and provides industry players with higher margins. Moreover, this type of equipment is one of the few areas where domestic manufacturing is still prevalent.
Industry Performance

Industry Outlook

The Telecommunications Networking Equipment Manufacturing industry is projected to experience revenue growth during the five years to 2018 as telecommunications networks are upgraded and the number of broadband connections increases. Additionally, as the economy recovers, investment from private companies will likely to grow at a faster rate compared to the previous five years. Overall, during the five years to 2018, revenue is forecast to rise at an annualized rate of 2.9% to $11.2 billion; this rate includes expected growth of 3.6% in 2014. Nevertheless, industry participants will still have to contend with lower-priced imports, particularly at the low end of the market (e.g. consumer home routers). The majority of these products will be imported from China. Domestic manufacturers will also continue to decline in prominence as major players continue to outsource production abroad.

Global trends and profit

Strong global competition, particularly from Chinese companies with highly efficient cost structures (such as Huawei Technologies and ZTE Corporation), technological innovations and the commoditization of production components will continue to drive down the price of low-end communications equipment over the next five years. Mergers of communications service providers will further reduce the potential number of customers that seek to purchase networking equipment, thereby concentrating downstream purchasing power. This factor will likely contribute to downward pressure on the price of network equipment, constraining profitability even further and increasing the prominence of mergers, acquisitions and strategic alliances. As a result, the number of enterprises is expected to fall at an average annual rate of 4.4% to 186 over the five years to 2018.

However, more private companies will purchase high-end, domestically manufactured products, causing imports’ share of domestic demand to decline during the next five years, from 98.4% in 2013 to 88.5% in 2018. Furthermore, corporate demand for data communications products will be promoted by business-sector initiatives that require new information technologies to improve automation, efficiency and productivity. Business concerns about network reliability, security and continuity will also bolster demand. Over the five years to 2018, aggregate private investment is anticipated to grow at an average rate of 5.8% per year. As a result, manufacturers will increase their focus on designing and developing higher-margin networking equipment. As demand for this equipment increases, profit margins are projected to reach 12.0% of revenue.

Domestic demand

Rising consumer and enterprise reliance on voice, video and data communications will continue to increase network traffic and bandwidth consumption. Over the five years to 2018, the number of broadband connections in the United States is expected to grow 5.0% per year on average to 336.0 million. Carriers are
Industry Performance

Domestic demand continued

migrating to next-generation, internet protocol-based networks that can simultaneously deliver voice, video and data services. These networks will eventually allow services to be provided at low and often flat prices over any medium, anytime and anywhere. The shift toward these networks will continue to drive telecommunications carriers to purchase more powerful routing and switching equipment to handle exponential growth in network traffic. As a result, the industry is expected to experience stronger demand for industrial routing and switching equipment over the next five years.

Cable system operators are also expanding their range of services offered, which will further increase demand for networking equipment. As the number of cable subscribers increases, cable operators will increasingly deploy advanced video platforms for high-definition (HD) and digital-video-recording (DVR) applications. Cable operators introducing or experimenting with advanced service offerings (e.g. HDTV and streaming video-on-demand) will drive demand for industry products. Additionally, many wired telecommunications carriers now offer an internet protocol television (IPTV) service to partially mitigate the harmful effects of declining revenue from wired voice telephony services; if these carriers hope to expand their network footprints over the next five years, they will need to purchase more networking equipment from the industry.
Industry Performance

Industry value added is declining

The number of enterprises is declining

Imports satisfy the overwhelming majority of domestic demand

Key Features of a Decline Industry

- Revenue grows slower than economy
- Falling company numbers; large firms dominate
- Little technology & process change
- Declining per capita consumption of good
- Stable & clearly segmented products & brands

Life Cycle Stage

Maturity
- Company consolidation; level of economic importance stable

Quality Growth
- High growth in economic importance; weaker companies close down; developed technology and markets

Quantity Growth
- Many new companies; minor growth in economic importance; substantial technology change

Decline
- Shrinking economic importance

SOURCE: WWW.IBISWORLD.COM
Industry Performance

Industry Life Cycle

IBISWorld estimates the industry’s contribution to the overall economy, as measured by the industry value added, will decrease at an average rate of 1.7% per year during the 10 years to 2018. Comparatively, US GDP is forecast to rise at an annualized rate of 2.1% during the period. As such, the Telecommunication Networking Equipment Manufacturing industry is in the decline stage of its life cycle. Because US manufacturers have found it difficult to compete on price with manufacturers in low labor-cost countries, they have increasingly relocated production from the United States to countries where operational costs are lower. However, industry revenue is showing signs of recovery.

The number of enterprises is expected to decline during the 10 years to 2018 at an annualized rate of 5.4% to 186. The major players have been outsourcing production to contract manufacturers in low-wage countries to reduce costs. Smaller domestic manufacturers that did not do the same had difficulty competing with the lower prices these foreign manufacturers were able to offer US consumers. As a result many left the industry all together.
Data communications equipment accounts for 59.7% of revenue in 2013. The main products in this segment are bridges, gateways, modems and routers. The importance of these products has increased as goods such as cell phones, consumer electronics, alarms and home thermostats have become connected to telecommunications networks.

The function of a bridge is to connect two or more local area networks (LANs) together, enabling data to travel to and from different areas of the network. A gateway is a component that is part of two networks that use different protocols and it is responsible for translating one protocol into the other. Modems transmit an analog carrier signal to encode digital information and demodulate carrier signals to decode the transmitted information. Routers are one of the most fundamental components of computer networks, as they are responsible for forwarding data packets from one type of network connection to another. For
instance, the most typical type of routers are home and small office routers that pass data, such as web pages, email and videos between the home computers and the internet.

**Carrier line equipment and non-consumer modems**
Carrier line equipment and non-consumer modems account for 17.2% of revenue in 2013. Carrier line equipment transmits voice and data communications. They are used for private communication networks such as LANs or wide area networks as well as household telephones. Because a growing number of consumers are purchasing cell phones, demand for household telephones are declining, causing this segment to lose its share of revenue. Non-consumer modems are those that are for private use and thus, are typically sold to large businesses and government organizations.

**Telephone switches, network switches and switchboard equipment**
Telephone switches, network switches and switchboard equipment account for 13.5% of revenue in 2013. A telephone switch is a telecommunications system used in large companies or in the public switched telephone network, which is the network that allows any telephone in the world to communicate with any other. Network switches are responsible for monitoring and controlling network traffic. With the rapid proliferation of broadband-enabled devices over the past five years, more routers and network switches have been demanded and sold. Network switches route data within a specific network through Ethernet cables, though the speed ratings of each connection may vary. Switchboard equipment serves the purpose of allowing telephone switches and network switches to function properly, thus ensuring the transfer of voice (for telephones) and data (for computers).

**Other networking equipment and devices**
Other networking equipment and devices are expected to account for 9.6% of revenue in 2013. Over the past five years, network-equipment manufacturers have expanded their product selection of network-based devices that offer network-wide security, storage and IP-based telephony. In most cases, these products are marketed to large companies. Optical networking equipment, which transmits data using fiber optics and light rather than
Products & Markets

Products & Services continued

electrical signals, is also included in this product segment.

Other networking equipment, such as storage area networking devices, provides computers on a network with the capability to share a common storage drive in a resource-efficient manner. Before these devices were available, companies would partition a part of a computer or server’s hard drive for common use, which was a waste of expensive computing power. Many offices use networked storage to provide automatic backups of data on computers within the network, limiting the damage caused by a failing hard drive. Large corporations use a variant of this architecture called storage area network (SAN). SAN aggregates the storage from multiple drives and drive types (including hard-drive arrays) in a network and displays the “virtual drive” as a single storage option on the network. Small businesses and homes use network-attached storage (NAS) devices that consist of little more than a single hard drive or hard-drive array attached to the network.

Manufacturers also offer device- or software-based network security solutions that provide a range of security measures, including firewalls, and virtual private networks (VPN). Some models even integrate virus and malware detection at the network level, greatly improving overall security. These products have become increasingly important over the past five years as the range of software and hardware that businesses use in their IT infrastructure has evolved and security threats have followed suit. For example, the widespread implementation of virtualization software has increased demand for network security solutions that address security concerns particular to virtualized environments.

Demand Determinants

Demand for switching and transmission products for public networks is largely dependent on the level of capital spending by telecommunications service providers, which is influenced by their demand for telecommunications services. New or enhanced communications services promote sales of upgraded communications equipment that helps users efficiently access these new services. New communications services typically have a slow initial uptake, followed by rapid growth, and then a slowdown.

The price and quality of communications products are also relevant to demand. Since consumers are the most price-sensitive purchasers, telecommunications equipment sold in retail environments is typically offered at more competitive prices. New, high-quality products are offered at a premium price while obsolete or basic models are offered at significantly lower prices. As suppliers enter the market with new products or lower prices, competitors are forced to lower their prices, increasing demand.

New technologies applied in communications networks allow users to access these networks more cheaply and efficiently. These developments have increased network traffic volumes, which has resulted in infrastructure expansion and investment. Communications technologies have fostered new applications and encouraged growth in other industries, driving demand for new communications equipment (e.g. internet protocol [IP] private branch exchanges). Standardization efforts favoring telecommunications networking manufacturers have also promoted sales. These efforts include facilitating the
Demand Determinants continued

interoperability of network equipment, as well as equipment attached to networks. The digitization of communications networks has resulted in software becoming an increasingly important component of many communications networks, particularly in delivering enhanced services. The digitization of networks also allows service providers to reduce their costs and allows them to launch services that were technically impossible to offer before. Manufacturers that design communications equipment increasingly use in-house labor to develop software and outsource equipment manufacturing to less skilled laborers.

Major Markets

**Major market segmentation (2013)**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Market Share</th>
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</thead>
<tbody>
<tr>
<td>Foreign business and telecommunications providers</td>
<td>68%</td>
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<tr>
<td>Foreign retailers and wholesalers</td>
<td>25.5%</td>
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<tr>
<td>Domestic retailers and wholesalers</td>
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</tr>
<tr>
<td>US Government</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>$9.7bn</td>
</tr>
</tbody>
</table>

**Exports**

Exports account for 93.5% of industry revenue in 2013, down from 94.4% in 2008. Exports account for a large share of industry revenue because a growing number of domestic manufacturers have outsourced the production of low-end networking equipment to countries in Asia. Furthermore, many industry players import goods and immediately export them for resale. While there is a chart displaying the breakdown of the top 4 exporters in the International Trade section, it is worth noting the markets within those countries that purchase industry products.

**Businesses and telecommunications providers**

Business and telecommunications providers are expected to account for 68.0% of exporter revenue in 2013. Over the past five years, businesses and telecommunications providers have accounted for a larger share of industry revenue due to networks expanding and businesses increasing their use of company-wide information technology (IT) infrastructures.

**Retailers and wholesalers**

The foreign retail and wholesale market segment is expected to account for about 25.5% of industry revenue in 2013. This segment serves the broader consumer market, which almost exclusively buys routers for home use.

**Other**

Together, the US government and retailers and wholesalers account for the remaining 6.5% of revenue. Because
Products & Markets

Major Markets continued

Consumers purchase industry products for home use, retailers and wholesalers sell them. Government clients also represent a share of industry demand because they use industry products for their own needs.

International Trade

International trade is a critical component of the Telecommunication Networking Equipment Manufacturing industry. Companies in this industry operate global supply chains, outsourcing production to countries like China (where wages are lower). Operations in the United States are primarily focused on design and prototyping. The complexity of this supply chain leads to very high levels of imports and exports.

Imports

Imports account for 98.4% of domestic demand in 2013, up from 98.0% in 2008. Imports account for a large share of domestic demand because manufacturers in other low-wage countries, especially those in Asia, are able to produce industry products at a lower cost than domestic producers. In the five years to 2013, imports increased at an annualized rate of 2.2% and are estimated to total $37.8 billion.

China is the largest source of networking equipment imported to the United States, and is expected to account for 38.8% of all imports. China is a particularly attractive place to manufacture technologically intensive products like networking equipment because the country is already a major producer of consumer electronics and semiconductors. The practice of contract manufacturing further enhances China’s competitiveness, as a single Chinese company can use its facilities to manufacture products for many foreign-based companies, allowing for higher equipment usage rates and lower costs per unit produced. Mexico is expected to account for 20.5% of imports and is the second largest source of industry products due to its close geographic proximity and its participation with the United States in the North American Free Trade Agreement (NAFTA), which reduces trade barriers. The next largest sources of imports are Malaysia and Thailand, which are expected to account for 9.6% and 5.8% of imports, respectively. These two countries represent growing manufacturing hubs for industry products.

Exports

In 2013, exports account for 93.5% of revenue, down from 94.4% of revenue in 2008. Exports share of revenue is large because several domestic manufacturers have outsourced the production processes of low-end networking equipment to countries in Asia. Moreover, IBISWorld estimates that a significant portion of exports is made up of imported equipment that is subsequently exported; this nature underscores the fact that the industry’s domestic manufacturing days are largely behind it. Overall, exports are expected to
decline at an annualized rate of 5.3% to $9.0 billion during the five years to 2013. US-based manufacturers of networking equipment mostly export enterprise-oriented, high-end routers and network switches. Mexico and Canada are expected to account for 22.8% of exports for industry products in 2013. These countries are significant export destinations because of their close geographic proximity to the United States and their participation in NAFTA. The Netherlands is expected to account for 8.8% of exports and Japan is expected to account for 7.3% of exports.
Business Locations

The West region houses the majority of the industry’s establishments, accounting for 24.8% in 2013. California is home to more manufacturing facilities than any other state, comprising 21.2% of all industry establishments. In fact, Hewlett-Packard Company and Cisco Systems Inc. headquartered in California. The large and affluent consumer base, well-established infrastructure and easy access to big population centers, such as San Francisco, Los Angeles and Seattle make this region ideal for manufacturers.

The Southeast region is home to 16.2% of establishments and some of the country’s biggest and most affluent cities in states such as New York, New Jersey and Pennsylvania. Together, these states account for 12.4% of all industry establishments. The Mid-Atlantic region comes in third, accounting for 14.9% of establishments.
Competitive Landscape

Market Share Concentration | Key Success Factors | Cost Structure Benchmarks
Basis of Competition | Barriers to Entry | Industry Globalization

Market Share Concentration

Level
Concentration in this industry is Medium

The Telecommunication Networking Equipment Manufacturing industry is moderately concentrated, with the four largest players accounting for 43.7% of industry revenue. Concentration has surged over the past five years due to a significant increase in the number of broadband internet connections, causing internet service providers to demand more networking equipment from industry players. The major players increased their market share by offering large clients end-to-end solutions, including routers, switches and security hardware. Over the next five years, these players are anticipating increasing demand from the government, large enterprises and internet service providers looking to upgrade aging IT infrastructures.

Key Success Factors

Effective quality control
Companies must have strong quality-control systems because quality products help generate repeat business, thus increasing the likelihood of renewed contracts.

Production of a range which accommodates future developments
The most successful companies offer a product range that anticipates changes in future technology.

Having contacts within key markets
Forging alliances with strong partners can increase marketing, technological, sourcing and production expertise.

Cost Structure Benchmarks

Profit
Several factors affect profit, defined as the earnings before interest and taxes, for the average industry company. These factors include growth in demand for information technology (IT) products, the company’s market and technological positioning, production model (e.g. in house versus outsourcing), distribution models and the capital investment environment. Additionally, volatility in demand from internet service providers (ISPs) and telecommunications carriers causes industry profitability. Over the past five years, an increased emphasis on manufacturing and selling higher-margin products, and a decreasing focus on lower-end products (which are primarily imported) boosted industry profitability. Average profit margins

Cost Structure Benchmarks

Enterprises by employment size (2010)*

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Share (%)</th>
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<td>100 to 499</td>
<td>11.6</td>
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<tr>
<td>500+</td>
<td>11.9</td>
</tr>
</tbody>
</table>

*Latest data available
SOURCE: US CENSUS BUREAU COUNTY BUSINESS PATTERNS
Competitive Landscape

Cost Structure

Cost benchmarks continued

have begun to trend upward in recent years and are expected to reach 9.8% of revenue in 2013.

Purchases

Purchases are the largest cost for the Telecommunications Networking Equipment Manufacturing industry, making up 50.7% of industry revenue in 2013. Plastic is a major input in the production process, and its cost has risen at an average annual rate of 1.4% over the past five years. Because plastic is derived from oil, its price is expected to continue to rise in line with this volatile commodity. To help combat rising raw input costs, production is continually being outsourced to make the manufacturing process less expensive. Increasingly, US-based networking equipment manufacturers operate with global supply chains; US employees are responsible for equipment design while workers abroad handle assembly.

Wages

Payroll expenses are expected to represent 13.8% of revenue in 2013, down from 14.0% in 2008. While the number of employees has fallen during the period, the ratio of skilled, high-wage workers to low-skill laborers has increased significantly. This phenomenon has occurred because of growing demand for skilled workers to design new telecommunication networking products, while lower-wage work is increasingly outsourced. Consequently, the average wage in the industry has increased over the past five years.

Other costs

Other costs are expected to make up 23.5% of overall industry costs. They include research and development.
Competitive Landscape

**Cost Structure**

**Basis of Competition**

**Internal Competition**

Many products in this industry are expensive, so industry players compete on levels of price. Manufacturers who offer low prices for products are likely to increase sales among price sensitive consumers. Product quality is very important. High quality or performance can provide users with additional utility or lower costs of ownership, and therefore represents a point of competitive differentiation.

Competition among players in this industry is fierce because of the similarity of industry products. Therefore, branding and client relations have become exceedingly important. In addition, the top major players are expected to continue investing heavily in client relations in an effort to retain customers.

There are numerous standards and technologies in the communications sector, making interoperability of products a crucial element of design. The ownership of intellectual property is also important and can be protected through patents, trademarks, trade secrets and copyrights. Strategic alliances are sometimes used to fill in product and service gaps and to augment access to potential customers.

**External Competition**

There are very large companies in this industry with substantial technical, engineering and financial resources and brand recognition. These companies have the ability to offer a wide range of products, and often acquire companies with products that complement their current product offerings. Some of these large companies also have well-developed sales and distribution networks, which can be important in the enterprise market and for high-volume products that are purchased by a large number of users.

Cost Structure

**Benchmarks continued**

expenditure, overhead manufacturing costs (e.g. contract work), administration, inventory write-downs and provisions for debts.

Depreciation expenses are expected to represent 1.6% of revenue in 2013; these expenses have decreased over the past five years because less capital-intensive manufacturing operations have been outsourced to contract manufacturers abroad. Additionally, companies in this industry use expensive prototyping equipment that needs to be replaced frequently, as new technology rapidly replaces older equipment. Marketing expenses account for only 0.3% of revenue and vary with product segment and product distribution. Because a majority of this industry’s customers are not consumers, the need to market products is low.

**Level & Trend**

**Competition in this industry is Medium and the trend is Steady**
Competitive Landscape

Barriers to Entry

Barriers to entry in the Telecommunications Networking Equipment Manufacturing industry are high primarily because the level of technological change in the industry is high, which requires industry players to significantly invest in research and development. Additionally, existing large operators have developed reputations and brands. This enables them to be in a strong position to offer “end-to-end” and “all-in-one” solutions to customers (either by themselves or via strategic alliances with other players). Furthermore, skilled employees are scarce and costly to recruit.

Long-term sales agreements exist between incumbents and large customers, while economies of scale and scope available in this industry can lower costs and provide sales opportunities. This is difficult for a new entrant to replicate. In addition, market knowledge and representation can be important in accessing offshore and local markets. Large multinational communications equipment companies have significant marketing resources, can provide vendor financing and have strong ties with large customers.

Nevertheless, the barriers to entry in the industry are falling due to a commoditization of technologies and a breakdown of the benefits of vertical integration. Independent manufacturers now offer the integrated circuits and the software that drive some equipment. Production can also be outsourced to specialist contract electronics manufacturers, usually located in low labor-cost countries. This means that the value chain is being broken down into specialist companies. Software development companies have the biggest opportunity to enter the industry and compete due to the increased trend of software-defined networking.

Globalization

Globalization is very high in this industry. Several major players participate in this industry on a global scale, including the top 3 players, Cisco, Alcatel-Lucent and Hewlett-Packard. The high level of research and development (R&D) investment, the specialist nature of many products, and the high levels of competition in this industry require successful operators to leverage global footprints to bolster sales and achieve significant economies of scale.

Imports of industry products will satisfy a forecast 98.4% of domestic demand in 2013, while exports will account for an anticipated 93.5% of revenue. Players in the industry export their R&D investment in the form of designs, patents, licenses and technologies. US consumers then drive demand for the manifestation of this R&D investment in the form of lower-priced telecommunications networking equipment that is manufactured overseas. Contract manufacturing is especially prevalent in China, where companies like Foxconn assemble products for a variety of technologically
Industry
Globalization
continued

International trade is a major determinant of an industry’s level of globalization. Exports offer growth opportunities for firms. However, there are legal, economic and political risks associated with dealing in foreign countries. Import competition can bring a greater risk for companies as foreign producers satisfy domestic demand that local firms would otherwise supply.

sophisticated clients. Globalization will continue to increase in this industry, with high-wage countries handling product design and low-wage countries assembling the products.

SOURCE: WWW.IBISWORLD.COM

Telecommunication Networking Equipment Manufacturing 2000-2013

International trade is a major determinant of an industry’s level of globalization. Exports offer growth opportunities for firms. However, there are legal, economic and political risks associated with dealing in foreign countries. Import competition can bring a greater risk for companies as foreign producers satisfy domestic demand that local firms would otherwise supply.

Telecommunication Networking Equipment Manufacturing

Trade Globalization

Going Global: Telecommunication Networking Equipment Manufacturing 2000-2013

SOURCE: WWW.IBISWORLD.COM
Cisco Systems Inc. was founded in 1984 and is headquartered in San Jose, CA. Cisco sells internet protocol (IP)-based networking equipment and other products used in the telecommunications and information technology (IT) sector. Cisco employed 66,639 people at the end of July 2012 in over 13 countries. During 2012, Cisco generated total company revenue of $46.1 billion.

Company product offerings fall into the following categories: switching, next-generation-network routing, collaboration, service provider video, wireless, security, data center and other products. Cisco participates in the Telecommunications Networking Equipment Manufacturing industry in all the categories except wireless and data center. The company’s customer base spans almost all types of public and private agencies and businesses, including enterprise businesses, service providers, commercial customers and consumers.

Cisco’s products are used to connect computing devices to networks or computer networks with each other. Cisco also provides products and services that allow customers to transition their various data networks to a single multi-service data, voice, and video network. Company routing products are used in both large backbone infrastructure and small office networks. Switching products are used in both local-area networks and wide-area networks, employing all widely used switching technologies such as Ethernet, gigabit Ethernet, token ring and asynchronous transfer mode. The company’s advanced technologies include home networking, hosted small-business systems, optical networking products, security products, storage area network products, and many others.

### Cisco Systems Inc. (US industry-specific segment) – financial performance**

<table>
<thead>
<tr>
<th>Year*</th>
<th>Revenue ($ million)</th>
<th>(% change)</th>
<th>Operating Income ($ million)</th>
<th>(% change)</th>
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<td>601.7</td>
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*Year-end July; **Estimates
Major Companies

Player Performance continued

Alcatel-Lucent was established in 2006, after the merger of Alcatel and Lucent Technologies Inc., the former research and-development arm of AT&T. Prior to the merger, Alcatel was roughly half as large as Lucent but had more substantial manufacturing assets and Lucent held many patents related to optical, wireless and wired telecommunications technologies. Alcatel-Lucent is headquartered in Paris, France and has operations and has more than 78,000 employees across 130 countries. During 2012, Alcatel-Lucent generated $19.0 billion in total company revenue.

Alcatel-Lucent operates in three business segments: networks, enterprise and software, services and solutions. The company participates in the industry through its networks segment, which enables it to be a world leader in broadband access, optics, and code division multiple access (CDMA) transmitters. It handles the design and manufacturing of Alcatel-Lucent’s internet protocol (IP)-routers, fiber optics, wireless transmitters and wired broadband infrastructure.

Financial performance
Alcatel-Lucent suffered a drop in revenue of 19.8% in 2009 as the recession cut into internet service providers’ and telecommunications carriers’ revenue. Although Alcatel-Lucent has had large losses in the past, its financial health has steadily improved over the past five years, a trend reversal due to the recession and accompanying credit crisis, which made expansion less lucrative and more costly for service providers. As a result, revenue decreased by 8.7% that year. Since then, ISPs have resumed spending and Cisco has experienced increases in demand for industry products. Additionally, a falling trade-weighted index made American-made goods cheaper for foreigners to buy.

Alcatel-Lucent (US industry-specific segment) – financial performance*

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<tr>
<th>Year</th>
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<th>(% change)</th>
<th>Operating Income ($ million)</th>
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</tr>
</thead>
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<td>N/C</td>
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<td>-210.5</td>
<td>-63.9</td>
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</table>

*Estimates

Source: Annual Report and IBISWorld
Major Companies

Player Performance continued

that indicates more efficient business operations. During the five years to 2013, revenue from Alcatel-Lucent’s

industry-relevant operations is expected to fall at an average of 6.5% per year to total $1.0 billion.

Other Companies

**Hewlett-Packard**
Estimated Market Share: 4.0%
Hewlett-Packard (HP), a major manufacturer of personal computers and printers, operates in the Telecommunication Networking Equipment Manufacturing industry through its 3Com Corporation subsidiary (acquired in April 2010 for $2.7 billion). Acquiring 3Com expanded and improved HP’s network infrastructure offerings, particularly in the market for Ethernet switches and routing solutions. With 3Com, HP strives to offer comprehensive “one-stop shop” IT infrastructure and support for enterprise customers.

3Com, a provider of global enterprise networking solutions, markets its products under three separate brands: H3C, 3Com and TippingPoint. H3C, acquired by 3Com, is one of the leading networking equipment brands in China, with a particular focus on the enterprise market. The 3Com brand is used chiefly for networking products sold to consumers and small- to medium-size businesses. Finally, TippingPoint is 3Com’s network-based security products brand. The company’s core product offerings are enterprise routers and switches. Over the five years to 2013, revenue from the company’s US-based, industry-relevant revenue is expected to grow 14.1% per year on average to $389.7 million.

**Celestica Inc.**
Estimated market share: 2.4%
Canada-based Celestica is an electronics manufacturing services provider. The company generated about $7.4 billion through 2012, with about 9.2% of company revenue generated from sales of telecommunication products and about one-third of those products sold in the United States. Celestica is a global operator that provides a broad range of services to original equipment manufacturers in the information technology and communications industries. US-based, industry-relevant operations are expected to earn the company about $231.5 million in revenue.
Operating Conditions

Capital Intensity | Technology & Systems | Revenue Volatility
Regulation & Policy | Industry Assistance

Capital Intensity

Level
The level of capital intensity is Low

The Telecommunications Networking Equipment Manufacturing industry exhibits a low level of capital intensity. Companies in this technologically intensive industry require highly sophisticated development labs with the latest equipment. However, only small quantities of this equipment are required. Industry players commonly use outsourced manufacturing strategies, which also helps limit capital requirements. While operators require highly paid and experienced computer scientists, programmers and electrical engineers to design and develop new products, these workers are relatively few in number. IBISWorld estimates for every dollar spent on wages, industry operators typically spend $0.12 in capital investment.

Tools of the Trade: Growth Strategies for Success

New Age Economy
Recreation, Personal Services, Health and Education. Firms benefit from personal wealth so stable macroeconomic conditions are imperative. Brand awareness and niche labor skills are key to product differentiation.

Investment Economy
Information, Communications, Mining, Finance and Real Estate. To increase revenue firms need superior debt management, a stable macroeconomic environment and a sound investment plan.

Traditional Service Economy
Wholesale and Retail. Reliance on labor rather than capital to sell goods. Functions cannot be outsourced therefore firms must use new technology or improve staff training to increase revenue growth.

Old Economy
Agriculture and Manufacturing. Traded goods can be produced using cheap labor abroad. To expand firms must merge or acquire others to exploit economies of scale, or specialize in niche, high-value products.

Change in Share of the Economy

SOURCE: WWW.IBISWORLD.COM
Operating Conditions

Technology & Systems

This industry’s product base is subject to considerable technological change, fueled by advances in computer, information and communication technologies and platforms. Accordingly, expenditure on research and development (R&D) to protect existing customer bases and generate growth is high. There are rapid advances in the technology embedded in manufacturing components (e.g. microchips). There is also a trend toward contract manufacturing in this industry. Contract manufacturers tend to have a relatively low technological base but strong production skills and efficiencies.

Communications service providers have introduced new transmission technologies, with fiber-optic cables rapidly replacing copper. Although fiber technology was first used for interoffice transmission facilities, the technology is now being deployed all the way to end-users (e.g. residential households). Optical transmission repeaters are used at locations along fiber-optic cables that span long distances to strengthen the signal. Synchronous optical transmission systems use traditional optical standards, including the Synchronous Optical Network (SONET) standard, the most common standard in North America and some countries in Asia. This standard defines the format for converting electronic signals into light signals and vice versa. Traffic growth is driving networks to achieve increased transmission speeds. The mix of high bandwidth traffic and an increasing focus on controlling network costs are also driving a transition in the industry; multiple, disparate networks based on SONET are being replaced by more efficient, converged, multi-purpose Ethernet and IP-based network architectures.

The introduction of telephone and data services using private intranets and the public internet has promoted demand for data communications equipment. This demand has resulted in mergers between data communications equipment and telecommunications-switching equipment manufacturers. IBISWorld anticipates that telephone company incumbents will move toward fiber-to-the-home networks and ultimately migrate all networks into one IP-based next-generation network.

The move toward digital equipment is providing greater opportunities for computer hardware and software companies to expand into this industry. However, this shift has been implemented at the expense of traditional telecom equipment suppliers. The importance of software as a component of this industry’s products is rising. Telecommunications technology is evolving rapidly and unpredictably, with increasing risk and uncertainty. Therefore it is risky, especially for smaller companies, to back technology that does not become widely adopted by the telecommunications providers.

Revenue Volatility

The Telecommunications Networking Equipment Manufacturing industry experiences high revenue volatility. Revenue for this industry is highly correlated to corporate profit and investments as well as demand for internet service providers. During the recession, investment from private companies declined by 24.8% and because they are major purchasers of networking equipment, this caused industry revenue to decline by 29.4%. Furthermore, companies in most industries instituted broad layoffs and downsizing efforts, temporarily eviscerating demand for IT infrastructure.

At the same time, manufacturing networking equipment has shifted...
Operating Conditions

Revenue Volatility continued

Overseas at a breakneck pace. Outsourcing has put domestic networking-equipment manufacturing into a revenue decline phase for more than a decade as manufacturers closed domestic plants in favor of contract manufacturing out of Asian trade hubs.

After the recession in 2010, corporate profit and investment increased by 13.7% and 26.8%, respectively. As a result, increasing demand for networking equipment from private companies boosted revenue. In 2010, revenue increased 10.7%.

Regulation & Policy

Most telecommunications products sold in the United States must comply with various Federal Communications Commission (FCC) requirements and regulations. These regulations include those related to emissions testing, safety, electrical noise and communications standards compliance. The FCC requires that equipment on a customer’s property (i.e. home or businesses) does not cause harm to telecommunications networks. It requires equipment manufacturers and suppliers to show conformity to the appropriate technical criteria by seeking certification from a telecommunications certification body.

Industry operations are subject to a range of intellectual property laws in the United States. Companies in this industry are highly active in research and development and typically own thousands of patents. A lesson learned from Alcatel-Lucent is that patent-related litigation can drag on for years and be costly. The drawn-out process has given a major incentive for larger companies to settle out of court and not face multiple legal expenses.
Operating Conditions

Industry Assistance

There are generally no tariffs on industry products that are imported. Federal Communications Commission regulations related to emissions testing, safety, electrical noise and communications standards compliance provide some level of protection to local players that are more familiar with these regulations.

The US American Recovery and Reinvestment Act promoted investment in broadband with the creation of the Broadband Technology Opportunities Program. The program included: roughly $3.75 billion authorized for competitive grants focusing on community networking needs; additional funding of the US Department of Agriculture’s Rural Utilities Service for distance learning, telemedicine, and broadband programs through broadband loans and guarantees; and comprehensive and nationwide broadband mapping.

The FCC’s national broadband plan, prompted by the 2009 Recovery Act, calls for an $8.0 billion expansion of the Universal Service Fund (USF) program, which subsidizes phone service in rural areas, to cover broadband access as well. Expansion of the USF program further weakens troubled wired telecommunications carriers by shifting subsidies to broadband access providers. For companies in this industry, this subsidy shift increases demand for its products by fueling expansion by internet service providers.

The Telecommunications Industry Association, an American National Standards Institute that has authored 76 standards for equipment, networks, and systems, has short and long term consequences for this industry. While implementing standards in this industry may initially require additional research and development expenditures for some enterprises, the long term benefit is an increased interoperability with network infrastructure.
### Key Statistics

#### Industry Data

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<td>22,942.6</td>
<td>21,685.1</td>
<td>28,696.5</td>
<td>21,802.4</td>
<td>12,611.0</td>
<td>8,820.3</td>
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<tr>
<td><strong>Value Added</strong> ($m)</td>
<td>6,697.9</td>
<td>6,316.5</td>
<td>3,232.1</td>
<td>5,831.2</td>
<td>3,238.3</td>
<td>2,713.4</td>
<td>2,563.9</td>
<td>2,480.8</td>
<td>2,450.3</td>
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<td><strong>Establishments</strong></td>
<td>440</td>
<td>436</td>
<td>435</td>
<td>381</td>
<td>347</td>
<td>307</td>
<td>283</td>
<td>270</td>
<td>255</td>
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<tr>
<td><strong>Employment</strong></td>
<td>397</td>
<td>382</td>
<td>350</td>
<td>331</td>
<td>323</td>
<td>286</td>
<td>268</td>
<td>256</td>
<td>241</td>
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<tr>
<td><strong>Exports</strong> ($m)</td>
<td>37,899</td>
<td>32,166</td>
<td>41,732</td>
<td>61,302</td>
<td>22,528</td>
<td>22,501</td>
<td>17,981</td>
<td>17,945</td>
<td>17,149</td>
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<td>11,905.8</td>
<td>8,816.7</td>
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<td>9,356.6</td>
<td>9,756.9</td>
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<td><strong>Wages</strong> ($m)</td>
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<td>33,863.2</td>
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#### Annual Change

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#### Key Ratios

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<td>9,468.7</td>
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Figures are inflation-adjusted 2013 dollars. Rank refers to 2013 data. SOURCE: WWW.IBISWORLD.COM
Jargon & Glossary

### Industry Jargon
- **BROADBAND** Type of data transmission in which a single medium (wire) can carry several channels at once. It can concurrently transmit data, audio and video over long distances.
- **DIGITAL SUBSCRIBER LINE (DSL)** Wireline transmission technology that transmits data faster over traditional copper telephone lines already installed to homes and businesses.
- **ETHERNET** The most common type of connection computers use in a local area network (LAN).
- **INTERNET PROTOCOL (IP)** Method by which data is sent from one computer to another on the internet.

### IBISWorld Glossary
- **BARRIERS TO ENTRY** High barriers to entry mean that new companies struggle to enter an industry, while low barriers mean it is easy for new companies to enter an industry.
- **CAPITAL INTENSITY** Compares the amount of money spent on capital (plant, machinery and equipment) with that spent on labor. IBISWorld uses the ratio of depreciation to wages as a proxy for capital intensity. High capital intensity is more than $0.333 of capital to $1 of labor; medium is $0.125 to $0.333 of capital to $1 of labor; low is less than $0.125 of capital for every $1 of labor.
- **CONSTANT PRICES** The dollar figures in the Key Statistics table, including forecasts, are adjusted for inflation using the current year (i.e. year published) as the base year. This removes the impact of changes in the purchasing power of the dollar, leaving only the “real” growth or decline in industry metrics. The inflation adjustments in IBISWorld’s reports are made using the US Bureau of Economic Analysis’ implicit GDP price deflator.
- **DOMESTIC DEMAND** Spending on industry goods and services within the United States, regardless of their country of origin. It is derived by adding imports to industry revenue, and then subtracting exports.
- **EMPLOYMENT** The number of permanent, part-time, temporary and seasonal employees, working proprietors, partners, managers and executives within the industry.
- **ENTERPRISE** A division that is separately managed and keeps management accounts. Each enterprise consists of one or more establishments that are under common ownership or control.
- **ESTABLISHMENT** The smallest type of accounting unit within an enterprise, an establishment is a single physical location where business is conducted or where services or industrial operations are performed. Multiple establishments under common control make up an enterprise.
- **EXPORTS** Total value of industry goods and services sold by US companies to customers abroad.
- **IMPORTS** Total value of industry goods and services brought in from foreign countries to be sold in the United States.
- **INDUSTRY CONCENTRATION** An indicator of the dominance of the top four players in an industry. Concentration is considered high if the top players account for more than 70% of industry revenue. Medium is 40% to 70% of industry revenue. Low is less than 40%.
- **INDUSTRY REVENUE** The total sales of industry goods and services (exclusive of excise and sales tax); subsidies on production; all other operating income from outside the firm (such as commission income, repair and service income, and rent, leasing and hiring income); and capital work done by rental or lease. Receipts from interest royalties, dividends and the sale of fixed tangible assets are excluded.
- **INTERNET SERVICE PROVIDER (ISP)** A company that offers access to the internet using a data transmission technology that delivers IP packets, such as dial-up, DSL, cable modem, wireless or dedicated high-speed interconnects.
- **RESEARCH AND DEVELOPMENT (R&D)** Creative work undertaken by a company to increase the stock of knowledge, which can then be applied to developing a new product or improving an existing one.
- **TELEPHONY** The general use of equipment to provide voice communication over distances.
- **WIDE AREA NETWORK (WAN)** Wireline and wireless long-distance communications network that covers a wide geographic area, like a state or country, to connect LANs.
Jargon & Glossary

LIFE CYCLE All industries go through periods of growth, maturity and decline. IBISWorld determines an industry’s life cycle by considering its growth rate (measured by IVA) compared with GDP; the growth rate of the number of establishments; the amount of change the industry’s products are undergoing; the rate of technological change; and the level of customer acceptance of industry products and services.

NONEMPLOYING ESTABLISHMENT Businesses with no paid employment or payroll, also known as nonemployers. These are mostly set up by self-employed individuals.

PROFIT IBISWorld uses earnings before interest and tax (EBIT) as an indicator of a company’s profitability. It is calculated as revenue minus expenses, excluding interest and tax.

VOLATILITY The level of volatility is determined by averaging the absolute change in revenue in each of the past five years. Volatility levels: very high is more than ±20%; high volatility is ±10% to ±20%; moderate volatility is ±3% to ±10%; and low volatility is less than ±3%.

WAGES The gross total wages and salaries of all employees in the industry. The cost of benefits is also included in this figure.
At IBISWorld we know that industry intelligence is more than assembling facts. It is combining data with analysis to answer the questions that successful businesses ask.

Identify high growth, emerging & shrinking markets
Arm yourself with the latest industry intelligence
Assess competitive threats from existing & new entrants
Benchmark your performance against the competition
Make speedy market-ready, profit-maximizing decisions

Who is IBISWorld?
We are strategists, analysts, researchers, and marketers. We provide answers to information-hungry, time-poor businesses. Our goal is to provide real world answers that matter to your business in our 700 US industry reports. When tough strategic, budget, sales and marketing decisions need to be made, our suite of Industry and Risk intelligence products give you deeply-researched answers quickly.

IBISWorld Membership
IBISWorld offers tailored membership packages to meet your needs.

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