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ATCA Market Resilient in Economic Downturn

Analysts Say New Applications Are Driving the Market for Open Specification-Based Communications Platforms

Beaverton, OR – September 23, 2009 – Analysts tracking the market for AdvancedTCA-based products say the economic downturn has had a relatively small effect on revenues compared with other embedded computing segments and technology markets in general. The latest forecast data from [VDC Research Group](#) indicates the total 2009 ATCA market will be comparable to 2008 levels, which reached \$483 million. For 2010, analysts predict the ATCA market to experience a return to stable growth along with the general economy.

“While some embedded computing segments will contract by double digits this year, our ATCA market sizing research indicates that 2009 will be within a few percentage points of what we saw in 2008,” said Eric Heikkila, Director of VDC Research Group’s Embedded Hardware and Systems practice. “The key is the relative stability of investment in new applications, which has been a sweet spot for ATCA. Tier II and III Network Equipment Providers have broadly adopted ATCA and those are the firms producing much of the innovative equipment that is still driving new revenue for Service Providers.”

VDC Research Group’s interviews with more than 50 network equipment providers (NEPs) show that nearly 80 percent of Tier II and III NEPs are commercially implementing the ATCA form factor, while nearly 60 percent of Tier I NEPs are basing equipment on the standard. By 2013, VDC Research Group forecasts that a significant majority of these NEPs will source commercial-off-the-shelf (COTS) ATCA building blocks and integrated platforms rather than build in-house. The full report can be accessed at www.cp-ta.org/news/whitepapers/

Recent earnings reports from many of the industry’s leading ATCA vendor companies also show relatively strong numbers. Members of the [Communications Platforms Trade Association](#) (CP-TA), a global organization comprised of the world’s top ATCA vendors, report that products based on ATCA are helping to drive revenue in a challenging economy.

“There is no better bellwether for the ATCA market than our membership because it is comprised of the top companies shipping building blocks, platforms and test tools based on the standard,” said Sven Freudenfeld, CP-TA president. “Our members are reporting that revenues from ATCA product lines have actually been a bright spot in 2009. The telecommunications networking industry is innovating its way out of the economic downturn through products based on interoperable open standards rather than legacy proprietary designs.”



Communications Platforms Trade Association

Products based on the xTCA specifications – which include the MicroTCA and AdvancedMC standards in addition to AdvancedTCA – are also garnering significant interest beyond the telecommunications industry. In the Military and Aerospace sector, for example, MicroTCA has become an increasingly popular option. PICMG, the standards organization which develops and manages the xTCA specifications, is working with members on a hardened, conduction-cooled version of MicroTCA intended specifically for use in military and aerospace applications. PICMG is also considering new ATCA specifications tailored to address the data center market.

About CP-TA

The Communications Platforms Trade Association (www.CP-TA.org) is a global organization comprised of companies dedicated to accelerating the adoption of open specification-based xTCA communications platforms through interoperability compliance guidelines and member advocacy.

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