LED Trio Dominate the Automotive Sector

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This year the soon-to-be released Audi R8 will feature a full LED headlamp, supplied by Automotive Lighting, with LEDs supplied by Osram and Lumileds. This will be the second vehicle to feature LEDs in the headlamp, after the Lexus LS600h, which used Koito headlamps with Nichia LEDs.

The fact that Osram, Nichia and Lumileds (which also led the way for LEDs used in daytime running lights) are the three LED companies pioneering this technology is no coincidence; as these three companies dominate the market for LEDs supplied to the global car industry. As well as supplying LEDs for headlamps, the trio have the largest share of the high-value LED market in automotive applications; such as in rear lighting and in instrument clusters and other interior applications.

The experience of these companies in this sector, and the more challenging requirements for durability and brightness of LEDs (in some applications) in cars compared with mobile phones, MP3 players and TVs, make it difficult for other suppliers to mount a challenge. While many other suppliers, such as Toshiba, Avago and Everlight, sell LEDs into this sector, they sell fewer.

The IMS Research Report, â€œThe Worldwide Market for LEDs in Automotive Applicationsâ€•, estimates that Osram is the largest supplier with about 23% of the total market for LEDs in light vehicles in 2007, followed by Lumileds and Nichia, each with around 16%. However, despite this, Lumileds and Nichia do not compete with each other to a large extent, as IMS analyst Jamie Fox explained: â€œLumileds sell LEDs mainly for exterior applications while Nichia sell mainly for interior applications. There are also geographical differences in the supply chain, for example Nichia do not sell many LEDs for automotive applications in Europe, where Osram are strong (in both interior and exterior applications).â€•

In the next decade however, as the battleground moves from interior and rear lighting applications to the front of the vehicle, this seems set to change. Lumileds, Osram and Nichia all provide LEDs of high brightness and quality that are well suited to forward lighting applications. With a potentially large market for LEDs in headlamps in the next decade, it will be interesting to see which of the big three, or even any of their other competitors, is able to win the most headlines and most headlamps in 2008 and 2009.

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