SANTA CLARA – **NPD DisplaySearch** has lowered its second-quarter 2012 mobile phone forecast to 1.73 billion units from 1.92 billion units.

The research firm decreased its forecast as a result of insufficient capacity of semiconductor processes for new application processors; anticipation of the iPhone 5; the European financial disaster; saturation in developed markets, and other unexpected situations.

First-quarter mobile phone display shipments were about 400 million units, down 12% sequentially.

The firm says the third quarter would normally show results of a typical hot sales season. However, NPD DisplaySearch modified its forecast down from 22% sequential growth to only 9% sequential growth.

Apple could release the iPhone 5 at the end of the third quarter. During the first and second quarters, **Samsung** was the most aggressive top 5 brand, releasing the Galaxy S3. Consequently, AMOLED had better sequential growth than other technologies, says NPD DisplaySearch.

Nokia suffered since Windows Phone 7.5 was less competitive than other OS platforms. (Windows Phone 8 will not be ready until the third or fourth quarter.)

The firm revised its 2012 mobile phone display forecast down to 1.7 billion units, with only 2% year-over-year growth. In addition, smart phone penetration will likely reach nearly 40% this year, slower than previous years.

Some European countries' debt issues have greatly impacted the macro-economic climate and market confidence in the region, says the firm. Tablet PC shipments in the first quarter were 19 million units, down 39% sequentially. This was worse than the firm's previous forecast of 28 million with an 11% sequential decline.