

## Report: NAND unit shipments to skyrocket 86% this year

By Ann Steffora Mutschler, Senior Editor -- 8/29/2007

Electronic News

After a tumultuous Q1 pricing environment, Q2 was much easier for NAND manufacturers: After average ASPs for NAND dropped 33 percent during Q1, prices have been flat to slightly up since the end of March, according to Phoenix, Ariz.-based market research firm **Semiconductor Partners**.

The firm noted that excitement is high over the introduction of the NAND-based iPhone, with Q2 prices forecasted to grow 2 percent as a result, and overall NAND revenues for the year predicted to show an increase of more than 15 percent to reach a total of more than \$13.5 billion.

Other analysts have also predicted **a turnaround in the NAND market, thanks to the iPhone**.

NAND unit shipments this year are forecasted to increase 86 percent compared with last year, the highest unit growth rate in several years, while gigabyte consumption will grow 217 percent this year.

Adrienne Downey, director of memory research at Semiconductor Partners said that while the consumer market, whose main components of memory are digital cameras and the flash cards in them, is a major market for NAND today, the real growth in this market will be in the computing segment. "Computing will grow at an astounding 55.7 percent CAGR from 2006 to 2011 and will account for nearly two-thirds of the NAND market by 2011," she said in a statement.

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The firm says computing applications are comprised of desktop PCs, notebook PCs (including ultra-mobile PCs), servers and workstations.

"There are many changes happening in the industry today that will drive the use of NAND in computing. USB drives, hybrid hard disk drives and solid-state disks/drives will become mainstays for computing storage. In addition, flash used as ReadyDrive, ReadyBoost and Turbo Memory are being used to support Microsoft's Vista operating system," Downey noted.

And, while NAND supply has been rather tight through much of Q2, the firm believes a massive amount of NAND capacity will be coming on line over the next 18 months. "The 8-gigabit is the dominant density in 2007 and will continue to be a top density through 2009," Downey concluded.