

NAND still strong, even without 'Apple effect,' Semico reports

By Suzanne Deffree, Managing Editor, News -- 7/1/2008

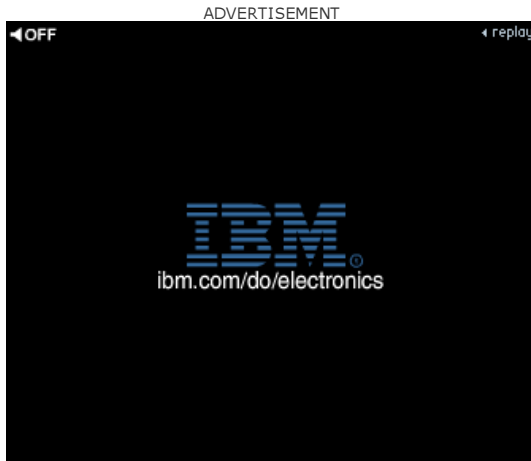
Electronic News

Despite the dampening impact of the US economy, consumer electronics continue to sell worldwide, encouraging NAND flash unit shipments and revenue growth.

According to **Semico**, NAND unit shipments are expected to reach more than 3.5 billion units in 2008 compared to 2.5 billion units in 2007 for year-over-year unit growth of 35%. However, reflecting the memory segment's ASP (average selling price) crunch, NAND revenues will grow 13% in 2008, down compared to 25% in 2007.

The Phoenix-based research company today said that the NAND industry will record a growth year in 2008, but so far has not experienced what it calls the "Apple effect." Regardless of the upcoming **3G iPhone** with up to 16 GB of storage and the SSD option for the MacBook Air, Semico noted no substantial pull from the consumer electronics giant in the NAND supply chain so far this year.

ISuppli has also in the past noted **Apple's influence on the NAND market** and earlier this year reduced its 2008 revenue forecast for the memory segment based on reports from the research company's sources that Apple had slashed its NAND ordering plans.



Removable flash applications -- cards for cell phones, digital cameras, and other devices, as well as USB drives -- drive the bulk of today's NAND market, Semico reminded. NAND growth through 2012 will be driven by the computing segment, the researcher said, specifically making note of USB drives, hybrid drives, and solid-state drives going into notebooks, UMPCs (ultra mobile PCs), servers, mobile and enterprise storage, and data centers.

"These markets will drive high gigabyte growth, which will need to be fed by NAND manufacturers," Semico said in a statement based on its report "**NAND Market – Where's Apple?**" "SanDisk/Toshiba, Samsung, Hynix and IMFlash are all racing to conquer 40-nm production for the cost advantages it will bring."