

Record SRAM Unit Shipments in 2004 Unable to Offset Declining ASP, Says Semico
http://www.tekrati.com/T2/Analyst_Research/ResearchAnnouncementsDetails.asp?Newsid=4492

Semico Research Corp. - February 10, 2005

Semico Research Corp's latest 4Q04 SRAM report shows a record year in terms of unit shipments, but manufacturers made a lot less money in 2004. The aggregate average selling price (ASP) dropped in excess of 50 percent since 2000, to \$2.45 in 2004. The analysts say the primary reason for sharp decline is that Pseudo SRAM (PSRAM) has made a big dent in the SRAM market.

Low ASPs for these parts have driven down the aggregate ASP so much that comparing the current aggregate ASP against historical ASPs illustrates the dramatic change in the market.

Semico is forecasting an overall semiconductor downturn for the first half of 2005, and this will have an impact on the SRAM market. Units are forecast to decline 8.5% to 1.18 billion, and revenues will fall 8.9% to \$2.9 billion. The SRAM market is increasingly threatened by both DRAM technology, which is more cost-effective and provides higher densities than SRAM can for many applications, as well as a trend toward embedded SRAM. This will result in the SRAM market slowly declining to 1.12 billion units by 2009.

New products continue to come out on both the high-speed networking side of the market as well as the low-power side, but overall activity is rather slow. Here are two recent examples:

In October, Samsung introduced a 72Mbit QDR II SRAM, targeted at high-performance switches and routers. QDR II devices can process up to four different data streams simultaneously. Operating at 300MHz, the SRAM is packaged as a space-saving FBGA, and will reach production levels in the first half of 2005.

In November, NEC announced a 128Mbit PSRAM based on the brand-new COSMORAM Rev.3, just released in September. This device is aimed at advanced cell phones capable of playing music, displaying photos, playing games, and videoconferencing. The PSRAM began sampling in December at \$15, with mass production beginning in March 2005.

About the market research report

The report, "SRAM Market Study 4Q04" (Report No. VM121-05), includes a full forecast of SRAM and PSRAM by density through 2009, as well as quarterly SRAM and PSRAM pricing through 3Q06. Contact Semico Research Corp for purchase details.

Story on Analyst Firm Website