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Forecast calls for 2005 to see NAND flash bit shipments more than triple

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PHOENIX -- The megabyte growth in NAND flash memory shipments will top 230% this year, and revenue will reach \$10.2 billion, according to a Semico Research Corp. forecast just released. That's a 42% increase after the market grew 80% to \$7.2 billion in 2004, according to the firm.

Jim Handy, Semico analyst for nonvolatile memory, said, however, industry NAND flash revenue next year will grow modestly to \$10.7 billion, due to continuing price declines resulting from overcapacity. Then in 2007, demand will match the capacity increases and the market will double to \$20.6 billion, the market research firm predicted.

NAND flash revenue will shoot up another 80% in 2008 to reach \$36.1 billion, before another round of overcapacity in 2009 reduces total revenue to \$34.8 billion, the report added.

"At the NAND industry growth rate, the industry ships more megabytes in one year than it has over the whole history of the market," Handy asserted. "In fact, more megabytes shipped in 2004 than DRAM [suppliers] did in the entire 1990s."

NAND forecasts vary widely. Dataquest is predicting a 35% revenue rise and a 130% increase in megabits shipped for 2005, followed by a 23% revenue rise next year (see [May 27 story](#)). JLC Associates, Irvine, Calif., sees much more restrained NAND revenue growth this year and next (see [May 2 story](#)).