

Research News—Semiconductors

NOR Market to Rebound after Slump in 2005, Says Semico Research

Semico Research Corp. - May 3, 2005

The NOR flash market is bound to recover in strength after the current period of declining revenues, according to the latest forecast by Semico Research Corp. NOR is used in widespread applications, ranging from PCs and peripherals, through myriad consumer electronics devices and into the automotive and telecom spaces, driving this pervasive technology to grow in accord with the penetration of electronics into our lives.

Following a 7% downturn in 2005, Semico expects to see the market return in force, with record-breaking revenues approaching \$11 billion in 2006.

"Although the NOR market is going through a soft spot today, unit and megabyte demand are still solid. Current revenue shortfalls are the simple result of a supply/demand imbalance which will correct itself in 2006," said Jim Handy, Director of Nonvolatile Memory Services at Semico Research Corp. "All commodity memories suffer price slides at the onset of an oversupply, and NOR's current slide is no different than those common in the DRAM market. Demand is still strong, and once this price correction has run its course, the market will return to high growth."

The Semico NOR forecast methodology is perhaps the most complete and accurate model in the market. Semico's quarterly 2003 flash forecasts hovered within 4% of actual 2003 revenues, and in 2004, a year marked by both NAND and NOR price collapses, Semico's flash forecast remained within 13% of actual over the course of the year.

About the market research report

The forecast is built upon a model that compares end-application demand using the Semico MAP model to production capacity from Semico's exhaustive fab database. This is layered upon pricing models extracted from historical market behavior, and is continually tested against WSTS history and Semico's Inflection Point Indicator.

This study is available for immediate purchase and delivery from the industry analysts. Follow the link below and contact the firm for more information, and reference NV102-05, "NOR's 2005 Off to a Difficult Start: First Quarter 2005 Pricing & Forecast".

> [Story on Analyst Firm Website](#)