

NAND glut to last until mid-2006, says Semico

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SAN JOSE, Calif. — The current oversupply of NAND-based flash memories in the marketplace is expected to last until the middle of 2006, said Jim Handy, an analyst with Semico Research Corp. on Thursday (Sept. 9).

From May, 2003 to May, 2004, NAND-based flash memories were in short supply and vendors could not keep up with huge OEM demand, Handy said.

A slowdown in demand for cellular phones, excess capacity, and new competition has caused a glut of capacity for NAND. "NAND is in oversupply, which will last until the middle of 2006," he said.

What a difference a year makes. Not long ago, the flash-memory market was soaring and vendors could not keep up with demand, especially for NAND-based products. The business now appears to be cooling down, as Semico lowered its forecast for the industry in 2004, with flat growth seen for 2005 (see September 9 story).