

Semiconductor Market Set for Record Year

September 8, 2006 8:44AM

According to Jim Handy, director of non-volatile memory services at Semico Research, Samsung could be a big winner. "As consumers look for increasing volumes of embedded storage in MP3 players and media player mobile phones, products that offer large Nand capacity while simplifying Nand interfaces will see a significant increase in demand," he said.

The worldwide semiconductor market is on target to create a new world record for 2006 as July sales increased by 11.5 percent compared with July last year.

According to the latest figures from the Semiconductor Industry Association (SIA), the sector is on track to top sales of \$240 billion for the first time. Sales in July hit \$20.1 billion, up by 1.8 percent on the \$19.8 billion recorded for June.

With computer products representing more than 40 percent of all chip sales, figures were buoyed by falling average selling prices and increased consumer spending.

George Scalise, president of the SIA, said: "The worldwide semiconductor industry is on track to surpass \$240 billion in sales this year, which is a new record. Growth continues to be strong across a broad range of end markets and geographic regions, particularly Asia Pacific, which is up by more than 13 percent year on year, and the U.S., where sales increased by almost 18 percent over last year.

"July sales reflect the historical pattern for the industry, with growth in unit demand coupled with declining average selling prices. This trend helps make possible the very attractive prices for many consumer products. For example, the average selling price for a PC declined by about seven percent year over year."

Notebook sales are still proving to be the strongest growth area of the PC sector, while the memory markets have benefited from increased prices and demand.

This solid market news comes as Samsung unveiled a new type of Nand Flash product aimed at the mobile device marketplace. MoviNand is an embedded combination of Nand Flash memory, a multimedia card controller and firmware.

It will come in 1 GB and 2 GB varieties and data processing is carried out at 52 Mbps. Samsung said it will suit device makers looking for a way to cram a lot of memory into very small devices.

Don Barnettson, director of Flash marketing at Samsung, said: "MoviNand solves a dilemma faced by many of our mobile customers: how to put a large amount of Nand flash in a small space behind a standard, high-speed serial interface."

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Semico estimates the market will be worth \$4 billion by 2010.