RESEARCH BULLETIN

IC Insights

AUGUST 9, 2018

DRAM Sales Forecast to Top $100B This Year With 39% Market Growth

With 24% IC marketshare, DRAM expected to account for nearly one in four IC sales dollars spent.

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IC Insights recently released its *Mid-Year Update* to *The McClean Report 2018*. The update includes a revised forecast of the largest and fastest-growing IC product categories this year. Sales and unit growth rates are shown for each of the 33 IC product categories defined by the World Semiconductor Trade Statistics (WSTS) organization in the *Mid-Year Update*.

The five largest IC product categories in terms of sales revenue and unit shipments are shown in Figure 1. With forecast sales of $101.6 billion, (39% growth) the DRAM market is expected to be the largest of all IC product categories in 2018, repeating the ranking it held last year. *If the sales level is achieved, it would mark the first time an individual IC product category has surpassed $100.0 billion in annual sales*. The DRAM market is forecast to account for 24% of IC sales in 2018. The NAND flash market is expected to achieve the second-largest revenue level with total sales of $62.6 billion this year. Taken together, the two memory categories are forecast to account for 38% of the total $428.0 billion IC market in 2018.IC Insights believes that the increasing number of mergers and acquisitions, leading to fewer major IC manufacturers and suppliers, is one of major changes in the supply base that illustrate the maturing of the industry that is helping foster a closer correlation between worldwide GDP growth and IC market growth. Other factors include the strong movement to the fab-lite business model and a declining capex as a percent of sales ratio, all trends that are indicative of dramatic changes to the semiconductor industry that are likely to lead to less volatile market cycles over the long term.

For many years, the standard PC/server MPU category topped the list of largest IC product segments, but with ongoing increases in memory average selling prices, the MPU category is expected to slip to the third position in 2018. In the *Mid-Year Update*, IC Insights slightly raises its forecast for 2018 sales in the MPU category to show revenues increasing 5% to an all-time high of $50.8 billion, after a 6% increase in 2017to the current record high of $48.5 billion. Helping drive sales this year are AI-controlled systems and data-sharing applications over the Internet of Things. Cloud computing, machine learning, and the expected tidal wave of data traffic coming from connected systems and sensors is also fueling MPU sales growth this year.

Largest IC Product Categories, 2018F

Rank	Market	$B
1	DRAM	$101,620
2	NAND Flash	$62,604
3	Std PC, Server MPU	$50,782
4	Computer and Periph—Spcl Purp Logic	$27,619
5	Wireless Comm—Spcl Purp Logic	$25,998
Rank	**Shipments**	**Units, M**
1	Power Management Analog	71,192
2	Wireless Comm—App Specific Analog	23,376
3	General Purpose Logic	21,675
4	Industrial—App Specific Analog	18,924
5	Automotive—App Specific Analog	15,969

Source: IC Insights

Figure 1

Two special purpose logic categories—computer and peripherals, and wireless communications—are forecast to round out the top five largest product categories for 2018.

Four of the five largest categories in terms of unit shipments are forecast to be some type of analog device. Total analog units are expected to account for 54% of the total 318.1 billion IC shipments forecast to ship this year. Power management analog devices are projected to account for 22% of total IC units and are forecast to exceed the combined unit shipment total of the next three categories on the list. As the name implies, power management analog ICs help regulate power usage and to keep ICs and systems running cooler, to manage power usage, and ultimately to help extend battery life—essential qualities for an increasingly mobile and battery-powered world of devices.

Report Details: *The 2018 McClean Report*

The complete list of all 33 major IC product categories ranked by sales and unit growth along with other details on market trends within the IC industry is provided in the *Mid-Year Update* to *The McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry* (released in January 2018). A subscription to *The McClean Report* includes **free** monthly updates from March through November (including a 200+ page *Mid-Year Update*), and **free** access to subscriber-only webinars throughout the year. An individual-user license to the 2018 edition of *The McClean Report* is priced at $4,290 and includes an Internet access password. A multi-user worldwide corporate license is available for $7,290.

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IC Insights, Inc., based in Scottsdale, Arizona USA, is dedicated to providing high-quality, cost-effective market research for the semiconductor industry. Founded in 1997, IC Insights offers coverage of global economic trends, the semiconductor market forecast, capital spending and fab capacity trends, product market details, and technology trends, as well as complete IC company profiles and evaluations of end-use applications driving demand for ICs.

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