

# RESEARCH BULLETIN

**DECEMBER 13, 2018**

## DRAM Growth Tops Industry Ranking in 2018; Outlook Dims for 2019

*DRAM fastest growing market in four of past six years, demonstrating very cyclical market.*

IC Insights is in the process of revising its forecast and analysis of the IC industry and will present its new findings in *The McClean Report 2019*, which will be published in January 2019. Among the revisions is a complete update of forecast growth rates of the 33 main product categories classified by the World Semiconductor Trade Statistics organization (WSTS) through the year 2023.

Topping the chart of fastest-growing products for 2018 is DRAM, which comes as no surprise given the strong rise of average selling prices in this segment over the past two years (Figure 1). The 2018 DRAM market is expected to show an increase of 39%, a solid follow-up to the 77% growth in 2017. The number-one position is not unfamiliar territory for the DRAM market. It was also the fastest-growing IC segment in 2013 and 2014.

### MORE INFORMATION CONTACT

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### DRAM Market Growth 2013-2019F

Rank	2013	2014	2015	2016	2017	2018	2019F
#1	DRAM 32%	DRAM 34%	*	*	DRAM 77%	DRAM 39%	*
-	*	*	*	*	*	*	*
#18	*	*	DRAM -3%	*	*	*	*
-	*	*	*	*	*	*	*
#26	*	*	*	DRAM -8%	*	*	*
#29	*	*	*	*	*	*	DRAM -1%

Source: IC Insights

Ranking among 33 IC product categories classified by WSTS.

**Figure 1**

Remarkably, DRAM has been at the top *and* near the bottom of this list over the past six years, demonstrating its very volatile and cyclical nature. IC Insights forecasts that DRAM will rank nearly last in terms of market growth in 2019, with a 1% decrease in total sales. After two strong years of growth, Samsung, SK Hynix, and Micron—the world’s three primary DRAM suppliers—have expanded their manufacturing capacity and are beginning to ramp up production, bringing some much needed relief to strained supplies, especially for high-performance DRAM devices. At the same time, shipments of large-scale datacenter servers, which were a primary catalyst for much of the recent DRAM market surge, have

begun to ease as uncertain economic and trade conditions factor into decisions about continuing with the strong build out.

NAND flash joins DRAM as another memory segment that has enjoyed very strong growth over the past two years (Figure 2). Solid-state computing, particularly, has been a key driver for high-density, high-performance NAND flash even as mobile applications continue to be a significant driver. Meanwhile, automotive and computing special purpose logic devices have also been strong performers the past two years. The top five IC markets listed for 2018 are the only product categories that are expected to surpasses the 17% growth rate of the total IC market this year.

### Fastest Growing IC Markets (\$)

Rank	2017		2018	
1	DRAM	77%	DRAM	39%
2	NAND Flash	53%	Automotive—Spcl Purp Logic	26%
3	Automotive—Spcl Purp Logic	45%	Computer and Periph—Spcl Purp Logic	18%
4	Industrial/Other—Spcl Purp Logic	23%	Industrial/Other—App-Specific Analog	18%
5	Computer and Periph—Spcl Purp Logic	22%	NAND Flash	18%

Source: IC Insights

Figure 2

The full list of IC product rankings and forecasts for the 2019-2023 timeperiod is included in *The McClean Report 2019*, which will be released in January 2019.

#### Report Details: *The 2019 McClean Report*

The 2019 edition of *The McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry*, will be released in January 2019. 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 2019 edition of *The McClean Report* is priced at \$4,990 and includes an Internet access password. A multi-user worldwide corporate license is available for \$7,990.

As part of your 2019 subscription, you are entitled to free attendance at a *McClean Report* seminar (one seat for each copy purchased; company-wide licensees receive five free seats). The schedule for next year's *McClean Report* seminar tour is shown below.

**Tuesday, January 22, 2019 — Scottsdale, Arizona**  
**Thursday, January 24, 2019 — Sunnyvale, California**  
**Tuesday, January 29, 2019 — Boston, Massachusetts**

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#### **About IC Insights**

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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