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Total Memory Market Forecast to Increase 10% in 2017

After two years of decline, firming ASPs for DRAM and NAND flash will boost overall memory sales.

IC Insights **will release its 20th anniversary edition of *The McClean Report* in January of next year.** The following represents a portion of the memory forecast that will appear in the new report.

After increasing by more than 20% in both 2013 and 2014, the memory market fell upon difficult times in 2015. Conditions that would normally be seen as favorable for boosting demand and increasing prices for memory devices such as supplier consolidation, limited capacity expansion, and a growing list of emerging applications did not prop up the market at all in 2015. Instead, slow system demand in personal computers led to excess inventory and steep price cuts in the second half of 2015. This resulted in a 3% decline to \$78.0 billion for the 2015 memory market. These same weak market conditions carried into the first half of 2016, but then memory prices began to firm in the second half of the year and the market finished the year on a strong note, though still down 1% year over year.

Looking to 2017, IC Insights' forecast the total memory IC market will increase 10% to a new record high of \$85.3 billion as gains in average selling prices for DRAM and NAND flash help boost total memory sales. Increases in the memory market are forecast to continue each year through the forecast, with sales topping \$100.0 billion for the first time in 2020 and then reaching nearly \$110.0 billion in 2021 (Figure 1).

From 2016-2021, the average annual growth rate for the memory market is forecast to be 7.3%; about 2.4 points more than the total IC market CAGR during this same time. Memory units are expected to grow by a CAGR of 5.6%. Playing a bigger role in memory market growth through 2021 will be strengthening average selling prices (ASPs). Memory market ASPs fell 3% in 2015 and declined another 10% in 2016 but are expected to increase in all but one year (2020) through the forecast at an average annual rate of 1.8%.

MORE INFORMATION CONTACT

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Total Memory IC Market (\$B)

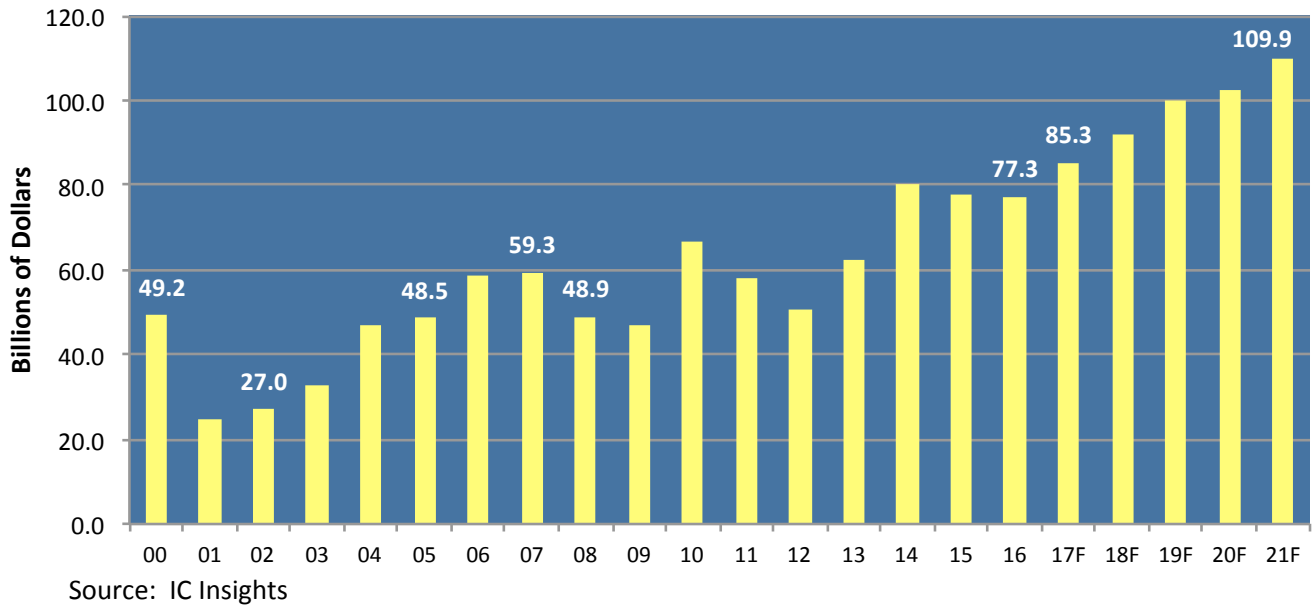


Figure 1

The DRAM market, which was the catalyst for strong total memory market growth in 2013 and 2014, tumbled 3% in 2015 and another 10% in 2016, dragging the total memory market down with it in both years (Figure 1). For 2017, IC Insights forecasts a strong increase in DRAM average selling prices, which is expected to lift the DRAM market to 11% growth. The NAND flash memory market—the only memory segment to show an increase in 2016—is expected to grow 10% in 2017. Together, DRAM and NAND flash are forecast to help propel the total memory IC market up 10% in 2017.

New Report Details: *The 20th Anniversary 2017 McClean Report (to be released in January 2017)*

Additional details and forecasts for the worldwide semiconductor through 2021 will be included in the new 20th anniversary 2017 edition of IC Insights' flagship report, *The McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry*. A subscription to *The McClean Report* includes **free** monthly updates from March through November (including a 250+ page *Mid-Year Report*), and **free** access to subscriber-only webinars throughout the year. An individual-user license to the 2017 edition of *The McClean Report* is priced at \$4,090 and includes an Internet access password. A multi-user worldwide corporate license is available for \$7,090.

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