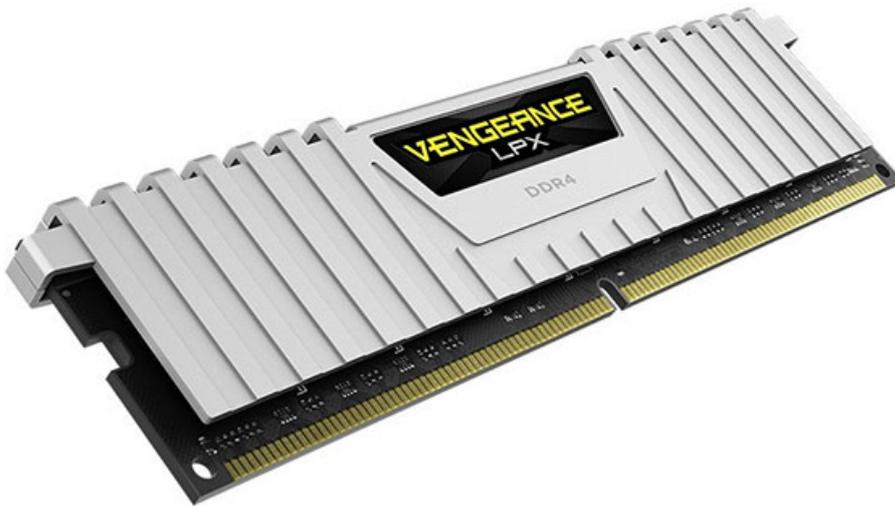


Gartner: DRAM Prices Down -42.1% in 2019!

Written by Alice Marshall
24 July 2019

A demand-driven DRAM oversupply is to push prices down by -42.1% in 2019, Gartner reports-- and the oversupply is set to continue until at least Q2 2020, the result of slower demand recovery by hyperscale vendors and increasing inventory levels.



The result is the end of the longest period of undersupply for the DRAM industry.

The findings come from the Gartner report on the global semiconductor industry, one seeing revenues fall by -9.6% in 2019 to reach \$429 billion. This is down from the Q1 2019 forecast of a -3.4% decline.

“The semiconductor market is being impacted by a number of factors. A weaker pricing environment for memory and some other chips types combined with the US-China trade dispute and lower growth in major applications, including smartphones, servers and PCs, is driving the global semiconductor market to its lowest growth since 2009,” Gartner says. “Semiconductor product managers should review production and investment plans to protect themselves from this weaker market.”

The ongoing US-China dispute is indeed causing uncertainty over trade rates, as the US-imposed restrictions on Chinese businesses will have a long-term impact on semiconductor supply and demand. The issue will accelerate Chinese domestic semiconductor production, and should create local technology forks such as ARM processors. Some manufacturers will relocate outside of China during the dispute, while others will seek to diversify their

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manufacturing base to reduce further disruption.

In the meantime the current oversupply of the NAND has no end in sight, particularly since near-term demand for NAND is weaker than expected. Gartner predicts high smartphone inventory and "sluggish" solid-state array demand will last for "a few more quarters." Aggressive NAND price cuts might bring a more balanced supply/demand outlook for 2020, but demand drivers such as PCs and smartphones are in slowdown while China brings more capacity as more fabs open, further impacting the market.

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