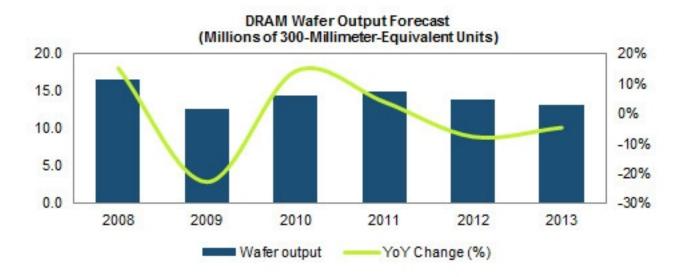
Bless, they grow up so fast-- according to IHS iSuppli the DRAM market achieves "some maturity in the face of daunting challenges" as 2013 300mm-equivalent wafer production drops by -24% to 13 million when compared to the 2008 peak of 16.4m units.

The -5% Y-o-Y cut makes 2013 the 2nd straight year of deliberate downsizing, following the -8% drop-off seen in 2012.

Controlled DRAM capacity is a positive for the industry-- it brings gradual normalisation between DRAM supply and demand, allowing firm DRAM pricing when production remains slightly behind demand.



Source: IHS, June 2013

"The DRAM industry has struggled with major challenges in recent years, including chronic oversupply and slowing demand from its main market, the PC business," IHS says. "This has led to continued weak pricing, financial losses and market revenue declines. However, the DRAM industry has entered a more mature state, enacting structural changes that will allow it to grow even in challenging market conditions."

## iSuppli: DRAM Grows Up, Matures

Written by Marco Attard 26 June 2013

Q1 2013 DRAM revenues also see the highest growth in nearly 2 years, with 4GB DDR3 module prices reaching \$23 in March, up from \$16 in December 2012, thanks to demand from the server and mobile PC segments.

One major change the DRAM market faces is the post-PC era-- demand is diversifying from PCs alone to servers and mobile devices, with less than 50% of 2013 DRAM going into desktops or laptops, down from 65% in 2003.

Such a figure will drop to 40% by end 2014, meaning the troubles of the PC market will not disrupt the entire memory market.

The server and mobile segments also use specialised products demanding a more involved design-in process, reducing the commodity nature of the DRAM such segments consume.

A second change is a reduction in DRAM supplier numbers-- the Taiwanese are no longer powerhouse suppliers, while Qimonda and Elipda Memory are either bankrupt or acquired by other vendors. By end 2013 only Samsung, SK Hynix and Micron Technology will be left to split the entire market, iSuppli says.

The final DRAM market change is the slow pace of manufacturing process evolution, resulting in slower bit growth keeping supply in better balance with demand.

However, while a state of undersupply is favourable to the industry it could also backfire, leading towards broader adoption of DRAM alternatives iSuppli concludes.

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