

IDC: HDDs Will Grow in 2012

Written by Marco Attard
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Following a difficult 2011 due to massive natural disasters, WW HDD shipments should see some growth in 2012-- according to IDC 2012 HDD shipments will grow by 7.7% Y-o-Y and show a CAGR of 9.6% for the 2011-2016 period.



In comparison, 2011 shipments were down by -4.5% Y-o-Y as floodings caused production to slow down to a crawl.

IDC also expects 2012 Y-o-Y HDD revenue growth to exceed shipment growth (a precedent for the industry) before revenues total \$50bn in 2016, with a 2011-2016 CAGR of 8.6%-- at least if one assumes industry achieves success with hybrid SSDs.

"In many respects, the hard disk drive industry has collectively hit the 'reset' button," the analyst says. The "reset" comes from the 2011 increase in HDD prices (due to imbalance in supply and demand) cancelling part of the "excessive price erosion" from 2009.

IDC predicts revenues from HDDs shipped for PCs will decline in the 2011-2016 period, even if PCs will continue being the biggest market for HDDs when it comes to unit shipments. Meanwhile combined HDD demand for personal storage, entry-level storage and enterprise applications will increase further. As a result enterprise storage-- not PCs and CE devices-- will become the major HDD consumer, just as it was back in the early days of the market.

Another "important theme" for the near future is the "intensifying battle" between HDDs and SSDs for the notebook market-- IDC says HDD vendors "need to convince PC manufacturers that hybrid SSHDs offer a more cost-effective solution to improve PC performance and

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responsiveness than other solutions."

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