USB Flash Tracker™

Trends for USB Flash Drive Markets

Vol. 6 No. 2 **Q2 2009**

EXECUTIVE SUMMARY– Q2 2009

USB flash drive shipments increased modestly to 46.094 MM units in the second quarter of 2009, a change of 1% from Q1/09. SCCG forecasts drive shipments to register a small increase in Q3 as well. Total shipments are projected to reach 189.927 MM units by the end of 2009.

The European market had the leading regional share in Q2/09, with 33%. The Americas were the second-leading market, with 31%, followed by Asia/Pacific, with 26%, and Japan, with 10%.

The average global capacity for USB flash drives was 5481 MB, but this ranged from a low of 4823 MB in Japan to a high of 7738 MB in The Americas. The leading segment was 4 GB, with 33% of the market. Products with capacities greater than 4 GB increased their share of the market and represented 45% of unit sales in Q2.

Prices increased in Q2, influenced by a tighter supply of NAND and controllers and an increase in the costs for these components. USB flash drive pricing into distribution changed by an average of 12% in the quarter.

Global USB flash drive market leaders in Q2/09 were SanDisk–20%, Kingston–18%, and Transcend–12%. The market continues to be quite fragmented, with few brands commanding a significant global position and a number of vendors having strong regional positions in specific countries.

NAND flash chips continued to be in tight supply in the second quarter of 2009. Manufacturers are trying to match demand and reduce volatility in the market, but this has not been easy. The uncertainty in the economy has influenced a tighter inventory position and slowed down NAND manufacturing growth. Controller companies also have had similar issues. Samsung maintained its lead in NAND chip sales, and Toshiba continued to be a strong second. A recent announcement by Apple to secure $500 million of NAND from Toshiba will likely result in a tighter supply for the balance of the year.

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