



DVD Tracker™

Trends for DVD Recorder/Writer and Media Markets

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EXECUTIVE SUMMARY– Year-End 2006

DVD recordable technology registered sales of \$9.68 billion in calendar-year 2006. This was up modestly from \$9.29 billion of revenue in 2005. DVD recorder sales reached significant volumes, with unit sales increasing by 26%, to 132.330 million units. Disc media sales grew by 33%, to 4.331 billion units.

DVD writers were the most important hardware category, with revenue of \$4.47 billion. DVD video recorders, while much smaller in volume, had unit pricing more than eight times that of DVD writers, with revenue of \$3.71 billion. In the video recorder segment, Dual DVD (±) was the most important format, with 48.30%, followed by DVD RAM, with 44.55%, and DVD+RW, with 7.14%. In the writer segment, the market is almost exclusively one of two formats: DVD Multi (with DVD-RAM capability), with 54.88% of the market last year, and Dual DVD (±) with 45.11%.

In the DVD disc media business, revenues totaled \$1.49 billion in 2006. This report reviews five DVD disc formats: DVD-R, DVD-RW, DVD+R, DVD+RW, and DVD-RAM. DVD-R was the most significant recordable DVD format in 2006, with 59% of DVD recordable disc sales, followed by DVD+R, 34%; DVD+RW, 3%; DVD-RW, 3%; and DVD-RAM, 1%.

DVD disc media is produced primarily in Asia, with Japan and Taiwan maintaining a large share of this business. **Ritek**, **CMC**, **Optodisc**, and **ProDisc**, all based in Taiwan, are acting as subcontractors for a number of international brands; **Taiyo Yuden** and **Maxell** have manufacturing in Japan; and **MCC/Verbatim** continues to manufacture DVD discs, with production in Singapore. **Moser Baer** maintains a significant manufacturing presence for DVD recordable media in its India facilities.

DVD recordable technology registered sales of \$2.26 billion in Q4, a change of -9% from the previous quarter. DVD writers had sales of \$1.06 billion and 32.303 million units. DVD video recorders had sales of \$826 million and 3.164 million units. DVD disc media in Q4 represented revenues of \$367 million. DVD R media (DVD+R and DVD-R) had sales of 1092.914 million units, while the DVD RW segment (DVD+RW, DVD-RW, and DVD-RAM) had sales of 80.133 million units for the quarter.

Entertainment levies in Europe had a major impact on country sales of disc media. High-levy countries such as France, Italy, Sweden, Denmark, Austria, Spain, and Hungary have seen their official markets decline because of this trend. Countries with low levies like Germany, the United Kingdom, the Netherlands, Slovakia, and Luxembourg have benefited from this trend with traders shipping discs to high-levy markets.