

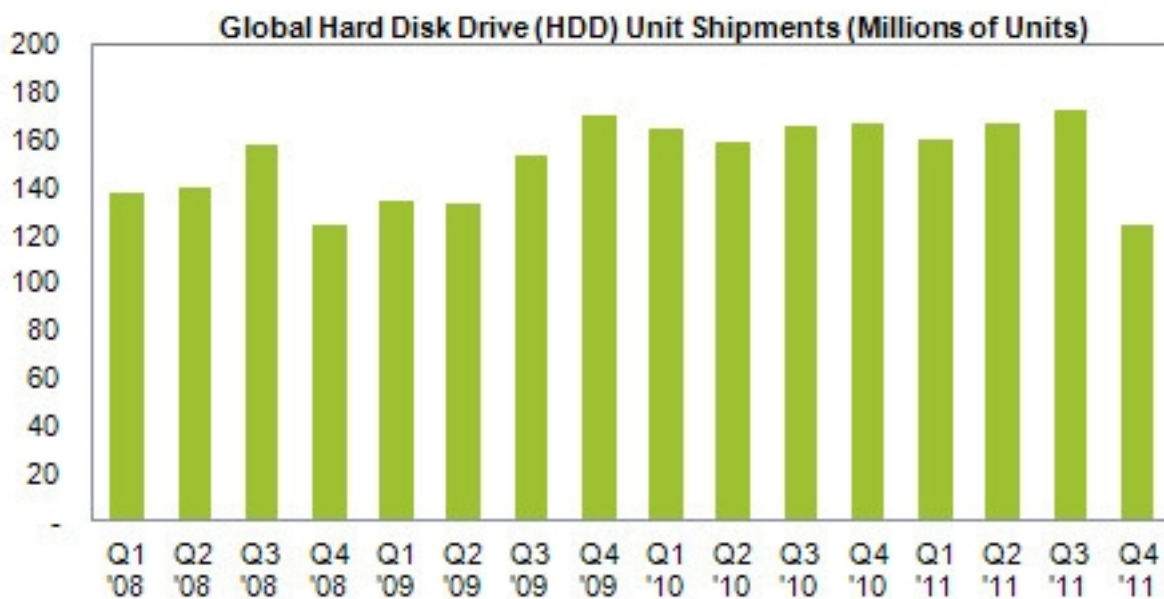
## How Will the Thai Floods Impact the PC Industry?

Written by Marco Attard  
03 November 2011

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The HDD industry will suffer from the worst downturn in 3 years in Q4 2011 according to IHS iSuppli, as the recent catastrophic floods wreck havoc on the electronics supply chain.

Such a disruption, of course, will cause a "butterfly effect" on the production of other devices and systems-- mainly notebook PCs and DRAM, as well as cameras and STBs. Thailand is the second biggest HDD producer in the world (following China) and a major HDD part supplier.



Source: IHS iSuppli October 2011

As a result, the analyst forecasts Q4 2011 HDD shipments will decline by -27.7% Q-o-Q to 125M units (from 173M in Q3 2011), the largest Q-o-Q decrease since the -21.2% decline in Q4 2008.

IHS iSuppli estimates 30% of Q4 2011 HDD production will be lost-- resulting "in a significant shortage of HDDs," as major HDD makers (mainly Western Digital and Toshiba) suffer from production disruptions and manufacturing stoppages.

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Western Digital is likely to fall from being the top global HDD shipper in Q4-- iSuppli expects it to fall to 3rd place-- and Toshiba will fall from 4th place to the 5th.

The shortage will also result in average HDD prices rising by 10% Q-o-Q and a temporary slowdown in the notebook PC shipments by around Q1 2012, when industry HDD stockpiles start running out.

The result of reduced notebook sales? Negative impact on an already oversupplied DRAM market.

Go [IHS iSuppli: Thailand Flood Exerts Impact on Electronics Supply Chain](#)