



CD Tracker™

Trends for CD-R/RW Writer and Media Markets

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EXECUTIVE SUMMARY—Year-End 2013

CD-R/RW media remains an important part of the recordable optical storage industry, with overall dollar sales of \$368 million in 2013. CD-R/RW writer and CD Combo sales largely disappeared, with inexpensive DVD writers taking their place. DVD writers include CD write capability and are available for a nominal additional cost. As a result, most users and vendors have moved to DVD writers.

Disc media declined, with the market representing 2141 billion units in 2013. CD-R disc sales continued to be below global volume of DVD discs in 2013. Revenues were influenced by declining volume, with average unit pricing stabilizing,

Entertainment levies in Europe influenced geographic sales of disc media. High-levy countries such as France, Italy, Sweden, Denmark, Austria, Spain, and Hungary saw their official markets reduced because of this trend. Countries with low levies, like Germany, the United Kingdom, Slovakia, Monaco, San Marino, Andorra, and Luxembourg benefited from this trend, with traders shipping discs to high-levy markets.

It is now estimated that there is 40% more supply than demand for CD-R discs. Manufacturers continue to adjust production, and much of this excess capacity is not operational. For manufacturers paying royalties to Philips (One-Red) and other companies, margins are slim. It is expected that manufacturers will continue to decrease CD-R capacity in 2014, hoping to keep supply at levels that will assure profitability. Taiwan dominates manufacturing for CD-R discs, now representing 66% of global capacity. India is an important participant, with Moser Baer maintaining an additional 18%.

Disc volume is influenced by the installed base of optical writers that burn CDs. This includes CD writers, CD Combo drives, DVD writers, and some of the BD writers. The current installed base of optical devices supporting CD writing was 558 million in 2013, but this is expected to decline to 228 million by 2017.