Asia Pacific PC Shipments Increased 9.6 Percent in Second Quarter of 2011: Gartner

Worldwide Shipments Up 2.3 Percent

Worldwide PC shipments surpassed 85.2 million units in the secondquarter of 2011, a 2.3 percent increase from the same period last year,according to preliminary results by Gartner, Inc. These results are belowGartner's earlier projection for 6.7 percent growth."After strong growth in shipmentsof consumer PCs for four years, driven by strong demand for mini-notebooks andlow-priced consumer notebooks, the market is shifting to modest, but steady growth,said Mikako Kitagawa, principal analyst at Gartner. The slow overall growth indicatesthat the PC market is still in a period of adjustment, which began in thesecond half of 2010."

"Vendor's performances have becomevariable as they have had to deal with significant inventory buildup, changesto their product mix, and the fact that growth has been coming mostly fromemerging markets. Vendors are having to shift resources away from matureconsumer markets. They are also invested in developing media tablets, many ofwhich launched in the first half of 2011."

HP continued to be the worldwideleader, as it accounted for 17.5 percent of worldwide PC shipments in thesecond quarter of 2011 (see Table 1). The company performed better than averagein most regions, but it was pulled down by its performance in Asia/Pacific.Globally, HP achieved solid growth in the professional PC market, but itcontinued to face challenges in the consumer segment.

Table 1

Preliminary Worldwide PC Vendor Unit Shipment Estimates for 2Q11 (Units)

Company

2Q11 Shipments

2Q11 Market Share (%)

2Q10 Shipments

2Q10 Market Share (%)

2Q10-2Q11 Growth (%)

HP

14,888,086

17.5

14,454,971

17.4

3.0

Dell

10,621,436

12.5

10,283,074

12.3

3.3

Lenovo

10,225,358

12.0

8,349,272

10.0

22.5

Acer

9,298,989

10.9

11,689,255

14.0

-20.4

Asus

4,467,611
5.2
4,306,241
5.2
3.7
Toshiba
4,411,400
5.2
4,497,576
5.4
-1.9
Others
31,306,987
36.7
29,732,493
35.7
5.3
Total
85,219,865
100.0
83,312,882
100.0
2.3

Note: Dataincludes desk-based PCs, mobile PCs, including mini-notebooks but not mediatablets such as the iPad. Final estimates will be subject to change.

Source: Gartner (July 2011)

Dell moved intosecond place in the worldwide PC market for the first time since the fourthquarter of 2008. Dell did well in Asia/Pacific, where it has invested heavilylately. Professional PC refreshments definitely boosted Dell's growth. Lenovoexperienced the strongest growth among the top-tier vendors, as shipmentsincreased 22.5 percent. Lenovo achieved strong growth in Asia/Pacific, the U.S. and Latin Americawith both desktop and mobile PCs.

Acer dropped from No.2 to the No. 4 position in the worldwide PC market in the second quarter of2011. It had a great deal of inventory in the distribution channel in the Europe,Middle East and Africa (EMEA) region. Acer'sproblems stemmed from its low-price, high-volume business model, which is nolonger effective.

In the U.S., PCshipments totaled 16.9 million units in the second quarter of 2011, a 5.6percent decline from the second quarter of 2010. The major inhibitor wasclearly a weak consumer PC market.

"Given the hypearound media tablets such as the iPad, retailers were very conservative inplacing orders for PCs. Instead, they wanted to secure space for media tablets.Some PC vendors had to lower their inventory through promotions, while othersslimmed their product lines at retailers," Ms. Kitagawa said.

"Theprofessional PC sector was the bright spot in the U.S. market," Ms. Kitagawasaid. "Large enterprises were in the middle of their refreshment purchaseperiod, which started last year. Small and midsize businesses (SMBs) were alsoat the peak of their refreshment periods. Due to budgetary constraints, thepublic sector had a slow start in the second quarter of 2011, even though thesecond quarter is typically a period of high PC sales."

Based on preliminary results, Appleshowed the strongest growth among the top-tier vendors in the U.S., as itclimbed from fifth place to third, overtaking Acer and Toshiba (see Table 2).The preliminary findings show Apple's performance far exceed the industryaverage, partly driven by an iMac refreshment that attracted both consumers andbuyers in the education sector.

Table 2

Preliminary United StatesPC Vendor Unit Shipment Estimates for 2Q11 (Units)

Company
2Q11 Shipments
2Q11 Market Share (%)
2Q10 Shipments
2Q10 Market Share (%)
2Q11-2Q10 Growth (%)

HP
4,552,777
26.9
4,608,280
25.7
-1.2
Dell
3,821,759
22.6
4,236,303
23.6
-9.8
Apple
1,814,000
10.7
1,671,500
9.3
8.5
Toshiba
1,616,400
9.6
1,565,000
8.7
3.3
Acer
1,570,257
9.3
2,028,284
11.3
-22.6
Others
3,539,666
20.9
3,803,974
21.2
-6.9
Total
16,914,859
100.0
17,913,341
100.0
-5.6

Note: Dataincludes desk-based PCs, mobile PCs, including mini-notebooks but not mediatablet such as the iPad. Final estimates will be subject to change.

Source: Gartner (July 2011)

PC shipments in EMEAtotaled 23 million units in the second quarter of 2011, a 4.8 percent declinefrom the second quarter of 2010. The consumer PC market in Western Europeremained weak, with consumer confidence weakened by continued economic problemsin Southern Europe. The general feedback fromretail channels remained pessimistic, especially in most of Southern Europe,with only France and Germany seeing strongerend-of-quarter shipments as channels cleaned out their inventory.

In Asia/Pacific, PCshipments reached 30.5 million units in the second quarter of 2011, a 9.6percent increase from the same period last year. The PC market continued togrow moderately, cushioned from the volatility in other regions. However,individual market performances were mixed, with indications of channelinventory issues and delivery postponements in some Southeast Asian countries. India showed weaker-than-expected consumerdemand, while China'sPC market grew 10.9 percent year over year. China's growth was attributed tothe release of pent-up demand for

consumer PCs.

The PC market in Latin America grew 15 percent in the second quarter of2011, as shipments totaled 9.2 million units. Concerns over Brazil'soverheating economy are abating with news that the country's gross domesticproduct (GDP) for the first quarter of 2011 grew by 1.3 percent. Inflation inMay was down from the previous seven months. Able Brazilian PC vendors aretrying to expand in response to increased foreign competition. Local vendorsare looking to make up for lost growth in their home country by enteringforeign markets where multinational PC vendors are unlikely to venture.

PC shipments in Japan grew 5.5percent in the second quarter of 2011, with shipments reaching 3.9 millionunits. The biggest contributor to growth in the professional market in thesecond quarter of 2011 was a supply-side factor. Many of the shipments in thesecond quarter had been postponed from March due to the earthquake and tsunami.In the consumer segment, demand for PCs to replace desktop PCs was the maindriver of growth. All-in-one desktops and notebooks with large screens soldwell at retail stores.

These results are preliminary. Finalstatistics will be available soon to clients of Gartner's PC QuarterlyStatistics Worldwide by Region program. This program offers a comprehensive andtimely picture of the worldwide PC market,allowing product planning, distribution, marketingand sales organizations to keep abreast of key issues and their futureimplications around the globe. Additional research can be found on the ComputingHardware section on Gartner's website at http://www.gartner.com/it/products/research/asset_129157_2395.jsp.

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