



Gartner: Server Shipments Declined 3.8 Percent in Asia Pacific in 2009 but Showed Strong Growth in Q4

Analysts to Discuss Server Market Trends at Gartner Infrastructure, Operation and Data Centre Summit in Sydney, 24-25 March 2010

As a result of the challenging economic environment during 2009, server shipments to the Asia Pacific region showed a decline of 3.8 percent while vendor revenue fell 6.2 percent from 2008 levels, according to technology research and advisory firm Gartner. However in the fourth quarter of 2009, Asia Pacific server shipments grew 19.6 percent over the same quarter in the prior year, while revenue grew 9.1 percent.

Total server shipments to the Asia Pacific region during the fourth quarter was 417,531 units while vendor revenue reached US\$2.07 billion. The Asia Pacific region emerged as the fastest growing server market in terms of volume which was driven largely by the x86 segments.

While positive revenue year-on-year growth had generally returned in Australia and New Zealand (21.4 percent), Greater China (11.2 percent) and ASEAN (7.0 percent) during the fourth quarter, Korea and India remained at a slow pace of recovery with negative 4.7 percent and 0.8 percent respectively.

Gartner principal research analyst Erica Gadajuli said: In the Greater China region, Hong Kong and Taiwan came out strongly this quarter, thanks to the restoration of business confidence there. Likewise, server revenue in Australia and Singapore also saw a rebound in the fourth quarter, thanks to active spending by the public sector. Server consolidation in major sectors such as financial services and telecommunication continued to be key driver for IT spending in China.

x86 servers was the only segment posting a year-on-year increase in shipment and revenue, at 21.8 percent and 24.0 percent respectively. x86 servers accounted for 53.1 percent of total market revenue in Q409 which was a significant increase from 46.7 percent in 4Q08. While two socket servers remained sweet spots during the quarter, one socket servers recorded a positive year-on-year growth in volume after five consecutive weak quarters, suggesting a sign of recovery in the small and medium business (SMB) segment. On the contrary, the RISC/Itanium Unix server platform in Asia Pacific compared poorly with the previous year, even though sequential quarterly growth maintained in positive territory.

Shipments

of blade servers (including x86 blades and RISC/IA-64 blades) reported growth of 24 percent from the same period in 2008 as well as revenue growth of 44 percent. HP maintained its leadership in blades with 44.6 percent unit market share; IBM followed at 29.5 percent.

Table

1: Asia/Pacific: Server Vendor Revenue Estimates, 4Q 2009 (U.S. Dollars)

Vendor

4Q 2009 Revenue in USD Million

4Q 2009 Market Share (%)

4Q 2008 Revenue in USD Million

4Q 2008 Market Share (%)

4Q09-4Q08 Growth Rate (%)

IBM

839.5

40.5

793.7

41.8

5.8

Hewlett-Packard

679.7

32.8

589.9

31.0

15.2

Dell Inc.

226.4

10.9

180.8

9.5

25.2

Sun Microsystems

135.5

6.5

170.6

9.0

-20.6

Lenovo

34.4

1.7

30.5

1.6

12.7

Other Vendors

158.5

7.6

134.7

7.1

17.6

Grand Total

2,074.0

100.0

1,900.3

100.0

9.1

Source: Gartner (February 2010)

As shown in Tables 1 and 2, the Asia Pacific server leader in revenue was IBM with 40.5 percent market share while HP commanded 30.6 percent of total unit shipment. All major server vendors had year-on-year revenue growth, except Sun Microsystems. HP and Dell managed double-digit growth in revenue primarily benefiting from stronger market demand for x86s.

Table

2: Asia/Pacific: Server Vendor Revenue Estimates, 4Q 2009 (Units)

Vendor

4Q 2009

4Q 2009 Market Share (%)

4Q 2008

4Q 2008 Market Share (%)

4Q09-4Q08 Growth Rate (%)

Hewlett-Packard

127,610

30.6

110,144

31.5

15.9

Dell Inc.

93,271

22.3

72,167

20.7

29.2

IBM

82,160

19.7

71,112

20.4

15.5

Lenovo

21,600

5.2

16,400

4.7

31.7

Inspur Electronics

15,789

3.8

10,900

3.1

44.9

Other Vendors

77,101

18.4

68,412

19.6

12.7

Grand Total

417,531

100.0

349,135

100.0

19.6

Source: Gartner (February 2010)

Full-Year

2009 Asia Pacific Server Market Results

As a result of a challenging economic environment in 2009, server shipment to Asia Pacific in 2009 finished with a decline of 3.8 percent while vendor revenue fell 6.2 percent from the full year 2008. In 2009, server shipped to Asia Pacific was totaling in 1.4 million units and revenue registered US\$7.1 billion.

Revenues

for the RISC/Itanium Unix platform was impacted the most, down 12 percent from 2008, as enterprises concern over cost containment rose significantly during the first half of 2009. Blade servers in Asia Pacific recorded a revenue increase of 9.8 percent and shipments were up 8.9 percent for the year. HP continued to hold the leadership in this form factor in 2009 with 43.5 percent shipment share; IBM was in second place at 34.8 percent.

Additional

information is available to subscribers of Gartner Dataquests Servers Quarterly Statistics Asia Pacific program. This program provides market size and share data by vendor revenue and unit shipments of thirteen major countries in Asia Pacific. Segments include: vendor, vendor brand, sub brand, CPU type, CPU group, Max CPU, platform, price band and operating system.

The Gartner Infrastructure, Operations and Data Centre Summit will be held at the Sydney Convention Centre on 24 and 25 March 2010. Now in its fifth year in Australia, the Summit is designed to help IT managers meet a new set of challenges, through operational transformation, virtualisation, disaster recovery, storage and server consolidation, systems management and improved use of power and cooling. For more information, please visit www.gartner.com/ap/datacentre

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