



Gartner: Asia Pacific PC Shipments Declined 5.1 Percent in First Quarter of 2019, Largely Due to Weak Demand in China

Worldwide Shipments Down 4.6 Percent; Top Three Vendors Accounted for 61.5 Percent of Market

Worldwide PC shipments totaled 58.5 million units in the first quarter of 2019, a 4.6 percent decline from the first quarter of 2018, according to preliminary results by Gartner, Inc. “We saw the start of a rebound in PC shipments in mid-2018, but anticipation of a disruption by CPU shortages impacted all PC markets as vendors allocated to the higher-margin business and Chromebook segment,” said Mikako Kitagawa, senior principal analyst at Gartner. “While the consumer market remained weak, the mix of product availability may have also hindered demand. In contrast, Chromebook shipments increased by double digits compared with the first quarter of 2018, despite the shortage of entry-level CPUs. Including Chromebook shipments, the total worldwide PC market decline would have been 3.5 percent in the first quarter of 2019.” “The supply constraints affected the vendor competitive landscape as leading vendors had better allocation of chips and also began sourcing alternative CPUs from AMD,” said Ms. Kitagawa. “The top three vendors worldwide were still able to increase shipments despite the supply constraint by focusing on their high-end products and taking share from small vendors that struggled to secure CPUs. Moreover, the constraints resulted in the top vendors shifting their product mix to the high-end segment in order to deal with the constraint — which, along with favorable component price trends, should boost profit margins.” The top three vendors — Lenovo, HP Inc. and Dell — accounted for 61.5 percent of global PC shipments in the first quarter of 2019, compared with 56.9 percent of shipments in the first quarter of 2018 (see Table 1). These top three vendors continued to gain share in the PC market as scale becomes a bigger factor in industry dynamics. Intel’s CPU supply constraint accelerated this trend.

| Table 1 Preliminary Worldwide PC Vendor Unit Shipment Estimates for 1Q19 (Thousands of Units) | | | | | | | | | | | |
|-----------------------------------------------------------------------------------------------|--------|----------------------|--------|----------------|-------|-----------------------|--------|----------------|--------|-----------------------|-------|
| | | Company | | 1Q19 Shipments | | 1Q19 Market Share (%) | | 1Q18 Shipments | | 1Q18 Market Share (%) | |
| | | 1Q19-1Q18 Growth (%) | | | | | | | | | |
| Lenovo | 13,196 | 22.5 | 12,343 | 20.1 | 6.9 | HP Inc. | 12,826 | 21.9 | 12,727 | 20.7 | 0.8 |
| Dell | 9,989 | 17.6 | 9,841 | 16.0 | 1.5 | Apple | 3,977 | 6.8 | 4,078 | 6.6 | -2.5 |
| Asus | 3,603 | 6.2 | 3,887 | 6.3 | -7.3 | Acer Group | 3,322 | 5.7 | 3,829 | 6.2 | -13.2 |
| Others | 11,610 | 19.8 | 14,671 | 23.9 | -20.9 | Total | 58,523 | 100.0 | 61,375 | 100.0 | -4.6 |

Notes: Data includes desk-based PCs, notebook PCs and ultramobile premiums (such as Microsoft Surface), but not Chromebooks or iPads. All data is estimated based on a preliminary study. Final estimates will be subject to change. The statistics are based on shipments selling into channels. Numbers may not add up to totals shown due to rounding. Source: Gartner (April 2019)

Lenovo remained in the top spot in the first quarter of 2019 with the largest year-over-year growth among the top vendors. However, Lenovo benefited from the inclusion of Fujitsu’s shipments from its 2Q18 joint venture. Lenovo’s shipments increased in EMEA and Japan, where Fujitsu had a larger presence. HP Inc.’s worldwide PC shipments increased 0.8 percent in the first quarter of 2019 versus the same period last year. The company saw an increase in desktop shipments while mobile PC shipments remained flat. HP Inc. recorded a small increase in shipments in EMEA, but experienced a decline in all other regions. Dell recorded its fifth consecutive quarter of PC shipment growth in the first quarter of 2019. Dell increased PC shipments in EMEA, Latin America and Japan, but declined in North America and Asia/Pacific. Desktop PC shipments continued to be strong for Dell in all regions, showing Dell’s strength in the business segment. Business PC Demand Remained Strong Business PC demand remained strong throughout the first quarter of 2019 across most key regions. The PC refresh driven by Windows 10 has been a driving force of business PC growth over the past three years, but Gartner forecasts that 2019 will be the last year in which shipments will be impacted by this refresh. “While PC shipment results in the first quarter of 2019 indicated that the business PC segment still showed strong demand, weak mobile PC results could be the indicator that the Windows 10 refresh has nearly peaked,” said Ms. Kitagawa.

Regional Overview In the U.S., PC shipments totaled 11 million units in the first quarter of 2019, a 6.3 percent decrease from the first quarter of 2018. HP Inc. took the top spot in the U.S. based on shipments, as its market share increased to 29.4 percent. Dell took the No. 2 position as its shipments declined 7.1 percent, and its market share totaled 28.7 percent in the first quarter of 2019. Japan was the only region to experience PC shipment growth in the first quarter of 2019 with a 6.8 percent increase year over year. This was primarily driven by a surge in business PC shipments. Latin America experienced the largest decline in the quarter with a 16.6 percent decrease in PC shipments. This decline was due to a lack of stability in political and economic environments, as well as the CPU supply constraints, which severally impacted the small system builders in the region. PC shipments in EMEA totaled 18 million units in the first quarter of 2019, a 2.2 percent decline year over year. Enterprise shipments increased as many companies moved ahead with Windows 10 deployments. However, consumer PC demand remained weak as users are not replacing older PCs and are not migrating to hybrid systems, which have not gained wide adoption in EMEA as users continue to prefer larger screens. PC shipments in Asia/Pacific totaled 20.1 million units in the first quarter of 2019, a 5.1 percent decline from the first quarter of 2018. This decline was largely due to weak PC demand in China. The consumer market across Asia/Pacific continued to see some growth driven by demand for thin and light ultramobile premium devices. Vendors such as Huawei and Xiaomi are pushing thin and light mobile PCs into the consumer market with aggressive pricing. These results are preliminary. Final statistics will be available soon to clients of Gartner’s PC Quarterly Statistics Worldwide by Region program. This program offers a comprehensive and timely picture of the worldwide PC market, allowing product planning, distribution,

marketing and sales organizations to keep abreast of key issues and their future implications around the globe. About Gartner Gartner, Inc. (NYSE: IT), is the world's leading research and advisory company and a member of the S&P 500. We equip business leaders with indispensable insights, advice and tools to achieve their mission-critical priorities today and build the successful organizations of tomorrow. Our unmatched combination of expert-led, practitioner-sourced and data-driven research steers clients toward the right decisions on the issues that matter most. We are a trusted advisor and objective resource for more than 15,000 organizations in more than 100 countries — across all major functions, in every industry and enterprise size. To learn more about how we help decision makers fuel the future of business, visit gartner.com.

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