IDC: Channel Cannot Handle EMEA Mobile PC Demand

Written by Frederick Douglas
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EMEA traditional PC (desktops, notebooks and workstations) shipments are down by -3.1% Y-o-Y to 16.4 million units in Q1 2020, IDC reports, as near-flat commercial growth (0.7% Y-o-Y) fails to offset heavy consumer decline (-8.5% Y-o-Y).

The W. European PC market is down by -1.2% Y-o-Y, with the commercial segment seeing "modest" 3% Y-o-Y while the consumer segment drops by -8.9% Y-o-Y. CEMA sees a "very challenging" Q1 2020 across all sectors, with consumers prioritising devices such as notebooks and tablets, while CEE records a "relatively small" -3.1% Y-o-Y decline as the commercial segment sees strong 4.2% Y-o-Y growth thanks to the fulfillment of some public and corporate tenders in the region.

Top 5 Companies: Europe, the Middle East, and Africa (EMEA) Traditional PC Shipments*
2020Q1 (Preliminary) (000 Units)

Company	2020Q1 Shipments	2020Q1 Share	2019Q1 Shipments	2019Q1 Share	YoY Growth
HP Inc.	4,368	26.6%	4,927	29.0	-11.3%
Lenovo (includes Fujitsu)	4,335	26.4%	4,092	24.1%	5.9%
Dell Inc.	2,730	16.6%	2,531	14.9%	7.8%
ASUS	1,156	7.0%	1,121	6.6%	3.1%
Acer	1,065	6.5%	1,188	7.0%	-10.4%
Others	2,784	17.0%	3,105	18.3%	-10.4%
Total	16,438	100.0%	16,966	100.0%	-3.1%

Source: *IDC Quarterly PCD Tracker (PC Pivot) EMEA Preliminary*, 2020Q1, April 2020

On the other hand, MEA fails to sustain any growth in Q1 2020, leading to shipments falling by

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-10.8% Y-o-Y. Markets across the region have been badly affected by both supply chain constraints and prices. The commercial segment is worst hit as it contracts by -13.7% Y-o-Y, while the consumer segment sees a -7.9% Y-o-Y decline.

Desktops post stronger growth in the commercial sector of 6.3% Y-o-Y, the result of greater insulation from manufacturing supply chain problems, as well as strong demand from the tail-end of the Windows 7 install base in need of a refresh. Notebooks are more susceptible to supply constraints due to a larger presence of factories in China, but still manage to achieve small 0.9% Y-o-Y growth. The sudden rise in employees and students working and studying from home means a spike in demand for notebooks, but supply could not meet such demand due to manufacturing and logistical supply chain constraints, even as factories begin to approach operation at full capacity.

"The logistical impacts of Covid-19 also continue to bottle neck the supply chain" the analyst says. "With passenger flights almost at a standstill, OEM's are having to substitute air freight shipments for sea, and where possible rail, increasing lead times and impacting their ability to address the big bookings that have risen as a consequence of the higher demand"

Consumer spending is a lot more conscious amid the pandemic, and as such a lot of PC renewals are relegated to a needs-basis. The quarter sees a surge in gaming demand, as people stuck at home due to lockdowns look for entertainment. This was of particular benefit to gaming notebooks, but but supply chain restraints mean full demand could not be met.

In terms of vendor rankings, HP remains the EMEA PC leader with 26.6% market share even as it sees shipments decline by -11.3% Y-o-Y, the result of supply difficulties following the coronavirus fallout. Lenovo (including Fujitsu) retains 2nd place with 26.4% market share. The company manages to satiate "significant" commercial demand during the pandemic, leading to 5.9% Y-o-Y shipment growth. In 3rd place is Dell with 16.6% market share and 7.8% Y-o-Y shipment growth.

Asus rises to 4th place with 7% market share and a 2nd quarter of growth after 12 consecutive quarters of strong decline. The company sees 3.1% Y-o-Y shipment growth thanks to consumer demand for gaming and entertainment during the lockdowns. Meanwhile Acer drops to 5th place, as supply chain constraints lead to -10.4% Y-o-Y shipment decline.

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