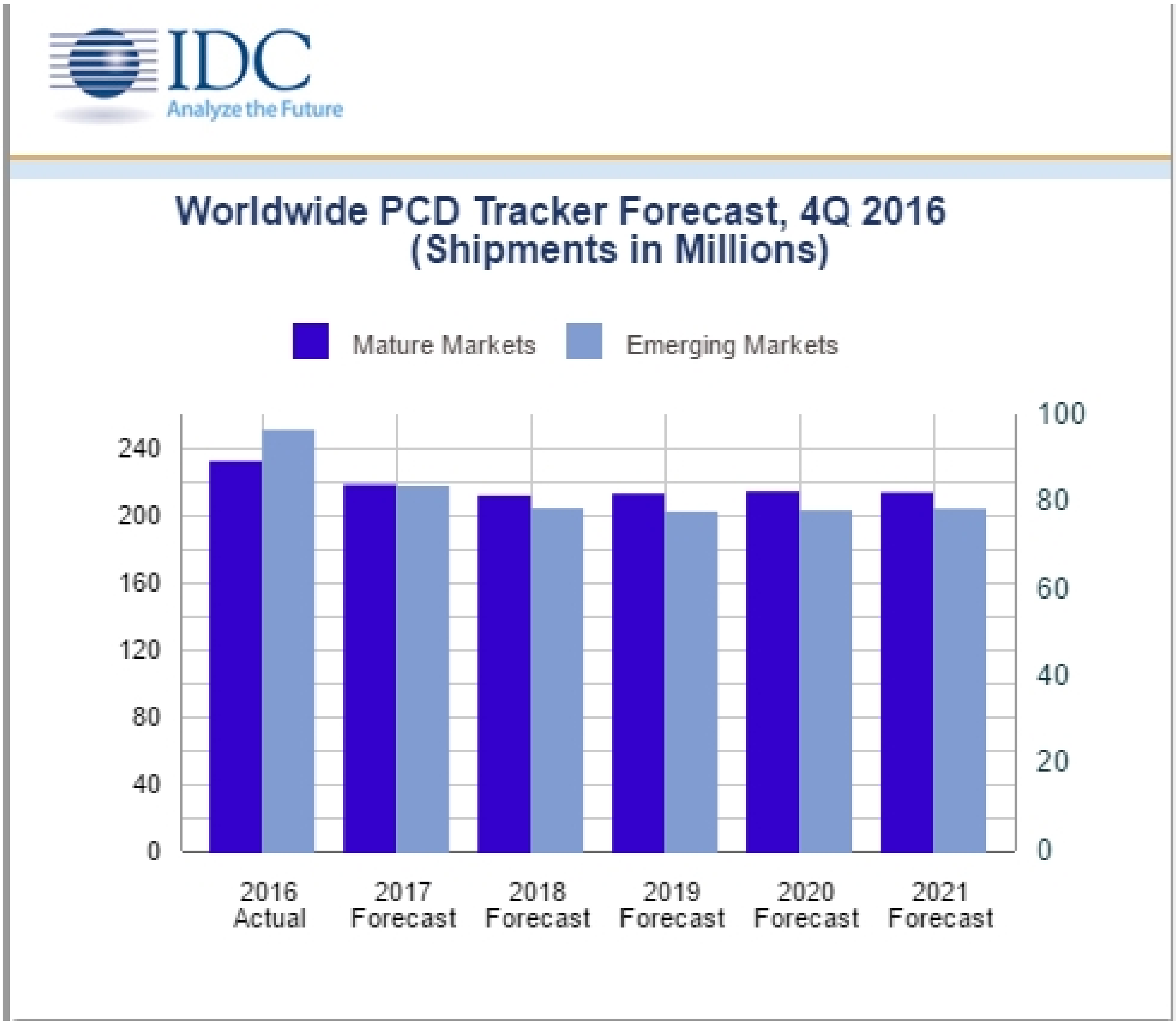
According to IDC global shipments of what it calls personal computing devices (PCDs)-- combined traditional PCs and tablets-- are forecast to decline from 435 million units in 2016 to 418.2m by 2021, making a CAGR of -0.8%.



The forecast follows a stronger-than-expected shipments for traditional PCs in 2016. A combination of aggressive promotion in H2 2016 and a tightening component supply for notebooks helped drive stronger volume across both consumer and commercial segments in Q4. As a result, commercial notebook shipments ended on a positive note with 2% Y-o-Y growth, while consumer notebooks declined by just -1% Y-o-Y.

On the tablet side, slate shipments continue to decline as expected while detachable/hybrid devices see "dramatic" decline in Q4 2016. This is due to the segment's dependence on individual product launch cycles from the likes of Apple and Microsoft. The lack of Q4 product refreshes lead to a -26.1% Y-o-Y decline for hybrids and a "more tempered" outlook for the entire tablet market, even if IDC believes the growing popularity of hybrids will lead to a return to growth over the next 5 years.

"Regardless of what marketers are saying, detachable tablets are simply not putting pressure on notebooks yet," the analyst remarks. "Consumers are just starting to graduate from old, consumption-based, slate tablets to a more productive detachable tablet. At the same time, the benefits of having a thin, touch-sensitive, productivity-based machine is shining light on the traditional PC category, causing vendors and consumers to focus on more premium devices in the convertible and ultraslim space."

Looking to the future, traditional PC shipments should improve thanks to better economic conditions and slower competing device (namely smartphones and tablets) sales. IDC expects traditional PC shipments to decline with a CAGR of -0.6% to 252m units in 2021, a somewhat raised outlook compared to the November 2016 forecast. The addition of detachable tablets would increase 2021 shipments to over 308m, with a 2016-2021 CAGR of 1.8%.

Meanwhile continued innovations lead notebooks to a higher share in the overall personal computing landscape-- up from 36% of the overall PCD market in 2016 (barely ahead of slates) to dominant device of 2021 with 39% share. Detachable/hybrid tablets should also make further inroads, growing from 4.9% of the PCD market in 2016 to 13.4% in 2021.

"As the tablet market works through the challenges of a maturing user base, the notebook ecosystem has seen success in assimilating a more mobile experience to the form factor while retaining its inherent superiority in the content creation arena, which remains critical for commercial buyer," IDC concludes. "Absent major external forces, the notebook and traditional PC market overall will see relatively stable volumes with some growth in more mobile designs offset by declines in less mobile products."

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