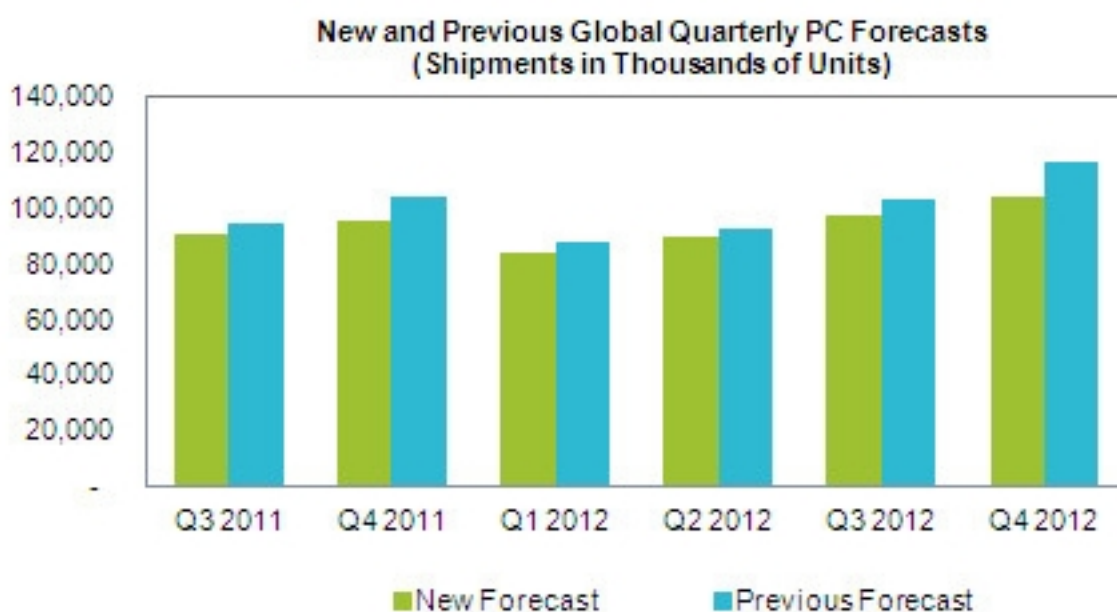


Thai Floods to Trigger 2012 PC Shortages

Written by Marco Attard
15 December 2011

According to IHS iSuppli, the Thailand floodings will disrupt the global PC supply chain further--causing a 3.8M unit shipment shortfall in Q1 2012 due to HDD shortages.

As a result, the analyst revises 2012 forecasts and now says WW PC shipments will grow by only 6.8% Y-o-Y to total 376M units (down from previous estimates of 399M units and 9.5% Y-o-Y growth).



Source: IHS iSuppli December 2011

Q1 2012 shipments will be hit badly, reaching 84.2M with a -11.6% Q-o-Q decline (from 95.3M units in Q4 2011)-- a far sharper decrease from the historical average decline of -6% for the period.

iSuppli says notebook PCs will be worst hit by the HDD shortage, revising 2012 notebook growth forecasts from 13.8% to 10.1% Y-o-Y growth.

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"The PC supply chain says it has sufficient HDD inventory for the fourth quarter of 2011. However, those stockpiles will run out in the first quarter of 2012, impacting PC production during that period," the analyst continues.

The situation should improve after Q1 2012, but the HDD industry will only manage to meet demand by the end Q3 2012, as the major HDD suppliers are already shifting production to locations outside of Thailand.

Ironically, the combination of such a move and Thailand returning to full production could cause an inventory surplus by end 2012-- Thai HDD operation recovery "could result in excess supply."

Go [IHS iSuppli: Thailand Flood Spurs Nearly 4M Unit Shortfall in Q1 2012 PC Shipments](#)