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Gartner Says Worldwide PC Shipments in Fourth Quarter of 2010 Grew 3.1 Percent; Year-End Shipments Increased 13.8 Percent

Weak Consumer PC Growth in Holiday Sales but Solid Professional Growth

STAMFORD, Conn., January 12, 2011 — Worldwide PC shipments totaled 93.5 million units in the fourth quarter of 2010, a 3.1 percent increase from the fourth quarter of 2009, according to preliminary results by Gartner, Inc. These figures were below Gartner's earlier forecast of 4.8 percent growth for the fourth quarter of 2010.

"Overall, holiday PC sales were weak in many key regions due to the intensifying competition in consumer spending. Media tablets, such as the iPad, as well as other consumer electronic (CE) devices, such as game consoles, all competed against PCs," said Mikako Kitagawa, principal analyst at Gartner. "The bright side of the PC market during the fourth quarter of 2010 was a steady growth in the professional market driven by replacement purchases. For all 2010, the results indicate the PC market recovered from the recession, as it returned to double-digit growth, compared to low single-digit growth in 2009. However, the PC market will face challenges going forward with more intensified competition among consumer spending."

HP maintained the No. 1 position in worldwide PC shipments in the fourth quarter of 2010, but its shipment growth was below the worldwide average (see Table 1). The preliminary results showed that HP's professional business had solid growth, but it was offset by a weak consumer PC business in the U.S. However, HP did well in the Europe, Middle East, and Africa (EMEA) professional and consumer markets. Asia/Pacific continued to be a challenging region for HP.

Table 1
Preliminary Worldwide PC Vendor Unit Shipment Estimates for 4Q10 (Units)

Company	4Q10 Shipments	4Q10 Market Share (%)	4Q09 Shipments	4Q09 Market Share (%)	4Q10-4Q09 Growth (%)
HP	17,581,525	18.8	17,786,986	19.6	-1.2
Acer Group	11,852,617	12.7	12,075,091	13.3	-1.8
Dell	10,801,225	11.6	10,395,288	11.5	3.9
Lenovo	9,481,565	10.1	7,809,357	8.6	21.4
Toshiba	5,346,700	5.7	4,768,306	5.3	12.1
Others	38,416,677	41.1	37,816,171	41.7	1.6
Total	**93,480,310**	**100.0**	**90,651,199**	**100.0**	**3.1**

Note: Data includes desk-based PCs, mobile PCs, including mini-notebooks but not media tablet such as the iPad.
Source: Gartner (January 2011)

Acer faced challenges in the fourth quarter of 2010 due to a slowdown in the overall consumer mobile PC market. The company was impacted by a weakening mini-notebook segment. Due to a lower presence in the professional PC market, Acer could not benefit from the professional PC refresh demand.

Dell benefitted from professional PC refreshes across key regions. Dell's shipment growth was better than regional averages across most regions. Dell's weaker presence in the consumer segment meant the company was not affected as much as some other vendors due to disappointing holiday sales. Lenovo marked the strongest year-on-year growth among the top 5 vendors. Lenovo's strength was derived from the replacement purchases in the professional PC market, as well as its on-going efforts of getting into the consumer market.

In the U.S., PC shipments totaled 19.1 million units in the fourth quarter of 2010, a 6.6 percent decline compared to the fourth quarter of 2009 (see Table 2). This is better than Gartner's earlier projection of a 10 percent decline for U.S. PC shipments in the fourth quarter of 2010.

"U.S. holiday sales were not fantastic for most PC vendors, but the professional market did show healthy growth during the quarter," Ms. Kitagawa said. "Media tablets undoubtedly intensified the competition in the consumer market. These devices do not replace primary PCs, but they are viewed as good enough devices for these who want to have a second and third connected device for content consumption usage. Mini-notebook shipments were hit the most by the success of media tablets."

HP continued to lead the U.S. PC market, accounting for 29.3 percent of PC shipments in the fourth quarter of 2010. Gartner's preliminary study shows that Toshiba and Apple were the only vendors in the top 5 to increase shipments, as Toshiba's shipments grew 14.4 percent, while Apple's shipments increased 23.7 percent.

Table 2
Preliminary United States PC Vendor Unit Shipment Estimates for 4Q10 (Units)

Company	4Q10 Shipments	4Q10 Market Share (%)	4Q09 Shipments	4Q09 Market Share (%)	4Q10-4Q09 Growth (%)
HP	5,596,608	29.3	5,951,547	29.1	-6.0
Dell	4,210,000	22.1	4,483,074	21.9	-6.1
Acer Group	2,120,853	11.1	3,048,552	14.9	-30.4
Toshiba	1,968,000	10.3	1,719,700	8.4	14.4
Apple	1,860,000	9.7	1,503,900	7.4	23.7
Others	3,325,955	17.4	3,727,142	18.2	-10.8
Total	**19,081,416**	**100.0**	**20,433,915**	**100.0**	**-6.6**

Note: Data includes desk-based PCs, mobile PCs, including mini-notebooks but not media tablet such as the iPad.
Source: Gartner (January 2010)

PC shipments in EMEA totaled 32 million in the fourth quarter of 2010, a 6.2 percent increase from the fourth quarter of 2009. The consumer market in Western Europe remained weak throughout the quarter. In a weak economic environment, already restrained consumer wallets shifted away from PCs to other consumer electronic devices including media tablets, gaming machines and e-readers. The professional market seemed to be picking up, but PC pricing remained an issue as increased EURO/Dollar exchange rates limited any price reductions, resulting in limited year end demand uplift.

In Asia/Pacific, PC shipments reached 27.9 million units, a 4.1 percent increase from the fourth quarter of 2009. Fourth quarter PC shipments were primarily affected by the decrease of shipments into the consumer market. Consumer buying has become more discretionary with buyers both adopting a wait and see attitude due to the distraction of media tablets and cautious due to lack of confidence on the recovery of the world economies.

The PC market in Latin America grew 15 percent in the fourth quarter of 2010 as shipments totaled 8.9 million units. Mobile PC shipments increased 17.1 percent in the quarter, and desk-based PC shipments grew approximately 12.6 percent.

PC shipments in Japan grew 3 percent in the fourth quarter of 2010, as shipments reached 3.8 million units. The market experienced a late boost from demand of XP preinstalled PCs from dealers/resellers in October.

For the year, worldwide PC shipments totaled 350.9 million units in 2010, a 13.8 percent increase from 2009 (see Table 3). This growth rate was an improvement from 2009 when PC shipments increased 5.5 percent.

Among top 5 PC vendors, Lenovo's shipment growth well exceeded the worldwide average. Lenovo's growth was driven by strong professional growth as well as expansion into consumer space outside of China.

Table 3
Preliminary Worldwide PC Vendor Unit Shipment Estimates for 2010 (Units)

Company	2010 Shipments	2010 Market Share (%)	2009 Shipments	2009 Market Share (%)	2010-2009 Growth (%)
HP	62,768,547	17.9	58,942,530	19.1	6.5
Acer Group	45,265,678	12.9	39,783,933	12.9	13.8
Dell	42,123,680	12.0	37,353,774	12.1	12.8
Lenovo	33,965,812	9.7	24,735,404	8.0	37.3
Toshiba	19,011,752	5.4	15,499,805	5.0	22.7
Others	147,768,653	42.1	132,026,226	42.8	11.9
Total	**350,904,121**	**100.0**	**308,341,673**	**100.0**	**13.8**

Note: Data includes desk-based PCs, mobile PCs, including mini-notebooks but not media tablet such as the iPad.
Source: Gartner (January 2011)

In the fourth quarter of 2010, PC shipments in EMEA totalled 32.0 million units, a 6.2 per cent increase from the fourth quarter of 2009 (see Table 3). PC shipments reached 110.5 million units in 2010, up 13.3 per cent from 2009.

Table 4
Preliminary EMEA PC Vendor Unit Shipment Estimates for 4Q10 (Thousands of Units)

Company	4Q10 Shipments	4Q10 Market Share (%)	4Q09 Shipments	4Q09 Market Share (%)	4Q10-4Q09 Growth (%)
Hewlett-Packard	6,483	20.3	6,012	19.9	7.8
Acer	6,426	20.1	5,862	19.4	9.6
Dell Inc.	3,036	9.5	2,719	9.0	11.7
ASUS	2,250	7.0	2,511	8.3	-10.4
Lenovo	1,788	5.6	1,364	4.5	31.1
Others	12,027	37.6	11,686	38.8	2.9
Total	**32,010**	**100.0**	**30,154**	**100.0**	**6.2**

Note: Data includes desk-based PCs, mobile PCs, including mini-notebooks but not media tablet such as the iPad.
Source: Gartner (January 2011)

"PC shipments in EMEA remain weak with growth in single-digits for the second quarter in a row," said Ranjit Atwal, research director at Gartner. "In 2010, the PC market in EMEA recorded a strong first half and was followed by a weak second half, resulting in a year-on-year growth of 13.3 per cent. The slowdown in the second half was impacted by the weakening economic climate, vendors' limited ability to reduce PC prices and the introduction of competitive devices."

In the fourth quarter of 2010, the consumer market in Western Europe remained weak. In a weak economic environment, already restrained consumer wallets shifted away from PCs to other consumer electronic devices including media tablets and other consumer electronic products. Additionally, adverse weather conditions minimised foot-fall into retailers reducing sell-out opportunities. In contrast, the emerging markets of Central Eastern Europe and the Middle East and Africa saw buoyant PC growth as new users preferred spending on PCs.

“The demand in the professional PC market picked up in the fourth quarter of 2010, in particular more from desk-based PCs than notebooks, as budgets remain very tight,” said Mr Atwal. PC pricing remained an issue as increased euro/Dollar exchange rates limited any price reductions, resulting in limited year-end demand uplift.

The consumer mobile market was weak during the quarter, partly because PC vendors delayed orders as retailers kept inventory in check. Mini-notebook shipments were stronger than expected and demand was driven by the later induction of tablets across EMEA.

HP retained the No.1 position with good performances in the consumer mobile PC market, but less so in the professional mobile market. Acer continued to grow its market despite the difficult consumer market conditions. Lenovo increased its consumer business presence in EMEA, which led it to make its debut in the top five PC vendors ranking, and Toshiba moved to the No. 6 position.

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. Additional research can be found on Gartner's Computing Hardware section on Gartner's Web site at http://www.gartner.com/it/products/research/asset_129157_2395.jsp.

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