

EMEA PC Shipments See Another Quarter of Decline, as Inventory, Political Instability, and Currency Fluctuations Continue to Affect the Market, Says IDC

16 Oct 2015

LONDON, October 16, 2015 — PC shipments in Europe, the Middle East, and Africa (EMEA) reached 18.4 million units in the third quarter of 2015, posting a 23.0% decline year on year, according to International Data Corporation (IDC). The market was weakened by ongoing currency fluctuations affecting a number of countries, as well as political instability in Eastern Europe and the Middle East, while channel players across the region focused on depletion of Bing inventory in preparation for shipments of new products for the 4Q15 holiday season. Shipments of Windows 10 machines started to increase in September, but due to the free upgrade program offered by Microsoft, demand for new devices did not pick up significantly and allowed retailers to focus on sales of Windows 8 products remaining in stock.

"The third quarter trends in the EMEA PC market turned out to be very similar to the second quarter," said Maciek Gornicki, research manager, IDC EMEA Personal Computing. "Bringing inventory levels under control has proven to be very challenging but there has been clear progress and this should facilitate new shipments in the coming quarter. Moreover, some countries in the region continued to suffer from currency volatility and political instability, which have now been constraining IT spending for several quarters."

The contraction in PC shipments was visible across all three EMEA regions: the Western European PC market declined 18.4%, MEA saw a drop of 28.4% in shipments, and CEE witnessed the steepest decline, at 31.3%. The market suffered from an unfavorable year-over-year comparison against 3Q14, when Bing notebooks boosted consumer portable PC shipments, while the commercial segment was still benefiting from the end of Windows XP support related renewals. As a result, consumer PC shipments contracted 28.1% while the commercial market saw a decline of 17.2%. Shipments in the consumer segment were the most affected by the Bing inventory carried over from previous quarters and the consumer products remained priced aggressively, as vendors tried to sell out older SKUs and make way for new products in the channels. Demand for desktops remained weak, with households increasingly moving toward mobile devices. In the commercial segment, most renewals had been completed in the previous quarters and current demand levels remain relatively low. Many businesses are expected to delay PC purchases until the beginning of next year to benefit from the new CPU technologies. Overall, desktop PC shipments in EMEA posted a 23.3% decline, while portable PCs contracted 22.8% year over year.

PC shipments in Western Europe reached 11.8 million units, with the decline driven by the consumer market, which contracted 24%. High inventory levels of Bing SKUs continued to inhibit new shipments but vendors worked with channel partners throughout the quarter on stock reduction. Although pockets of inventory remain in the region, 4Q15 is likely to see less impact and more new products shipped in to the market in time for the holiday season. An unfavorable year-over-year comparison also contributed to the steep decline: 3Q14 had already seen very strong Bing shipments that had driven market growth. The commercial market remained constrained, with shipments dropping 12.7% year over year. Currency fluctuations remained a factor in slower sales, as new models maintained higher price levels and stifled demand, while businesses were cautious with spending. Overall, all major Western European countries posted significant declines in PC shipments, with France and Germany contracting 21.2% and 23.3% respectively; the U.K. fared slightly better, with an 11.1%

decline. Spain continued to outperform the Western European average, with shipments declining by 3.3%. Due to capital controls imposed in Greece, shipments there fell to record low levels, declining by nearly 50% compared with the same quarter a year ago.

"The consumer market in Western Europe declined at a rate slightly higher than expected," said Malini Paul, research analyst, IDC EMEA Personal Computing. "Persisting inventory levels of Bing SKUs from the past few quarters hindered shipments of new PC products across the region, but vendors and channel partners continued to deplete remaining stock in order to propel shipments of new products for the holiday sales. A significant contraction was witnessed even in the commercial market, driven by a rise in price points stemming from currency fluctuations. In addition, some organizations held up their renewals for the coming quarters, waiting for the new products to be launched with the combination of Windows 10 and the new CPU platform."

"The CEMA regions [CEE and MEA] posted the worst results for the PC market in years in 3Q15," said Stefania Lorenz, associate VP, IDC CEMA. "IDC forecast both markets to decline quite sharply, but the current situation has proved to be even worse. The continual political instability and uncertainties in the MEA region, as well as currency fluctuations, low oil prices, a lack of projects, and weak IT spending, have all negatively affected PC performance. Another important element to consider is the high Bing inventory that has built up since 1Q15, which has consequently inhibited new sales-in in the third quarter."

"The overall PC market in the CEE region remained constrained and reported a year-on-year decline of 31.3%, the worst in the last 13 quarters," said Nikolina Jurisic, product manager, IDC CEMA. "Only a few countries in the region reported a somewhat lighter decline, with Poland, Czech Republic, Romania, and Hungary, supported by a few projects in the public and corporate sector, all seeing a single-digit decline of less than 8%. The portable PC market in CEE recorded a stronger year-on-year decline of 33.0% compared with desktops at -27.9%. The MEA PC market suffered a year-on-year decline of 28.4%. Portable shipments declined much faster than desktop, with demand for portable PCs continuing to be cannibalized by demand for tablets and smartphones."

The transition to Windows 10 has so far been a software upgrade rather than a hardware upgrade. As the product offer becomes more attractive, some consumers might be tempted to renew their devices for Christmas, while enterprises might consider purchases to fully leverage all the new features of Windows 10.

Vendor Highlights

All vendors in the top 5 ranking posted a decline in shipments in these difficult market conditions.

- **HP** outperformed the market but posted a decline in both the consumer and commercial segments. A strong quarter a year ago and a focus on inventory depletion contributed to steep declines in consumer shipments, while in the commercial segment vendors performed significantly better than the market. Attractive product portfolios and effective pricing strategies contributed to the commercial results.
- **Lenovo** had a negative quarter, slightly above the market average. The vendor retained second place in the market but high inventory levels in the channels affected 3Q15 results and contributed to a steep decline in shipments both in the consumer and commercial space.

- **Dell** posted another strong quarter, significantly outperforming the total market. Less focus on the consumer business enabled Dell, unlike some other vendors, to avoid the impact of having a high Bing inventory, while in the commercial space further expansion in the channel drove good results.
- **Acer** claimed fourth place in the ranking. The vendor focused on stock clearance this quarter, so new shipments remained low, but created space for sell-in of new products for the end-of-year holiday season, leading to good results in the Windows 10 device segment.
- **ASUS** dropped to fifth position. The need to reduce inventory led to cautious sell-in and a consequent decline in shipments.

Top 5 Vendors: Europe, the Middle East, and Africa (EMEA) PC Shipments* 3Q15 (Preliminary) (000 Units)

Vendor	3Q14 Shipments	3Q15 Shipments	3Q14 Share	3Q15 Share	3Q15/3Q14 Growth
HP	5,254	4,353	22.0%	23.7%	-17.1%
Lenovo	4,610	3,684	19.3%	20.1%	-20.1%
Dell	2,099	1,863	8.8%	10.1%	-11.3%
Acer Group	2,854	1,770	12.0%	9.6%	-38.0%
ASUS	2,026	1,510	8.5%	8.2%	-25.5%
Others	7,004	5,185	29.4%	28.2%	-26.0%
Total	23,847	18,365	100.0%	100.0%	-23.0%

Source: *IDC EMEA Quarterly PC Tracker*, Preliminary Results, 3Q15, October 2015

* PC shipments = desktops and notebooks.

Shipments are branded shipments for all form factors (including desktops and notebooks) and exclude x86 servers as well as OEM sales for all vendors. Data for all vendors is reported for calendar periods.

For more information on IDC's *EMEA Quarterly PC Tracker* or other IDC personal computing research services, contact Vice President Karine Paoli on +44 (0) 20 8987 7218 or at kpaoli@idc.com. Alternatively, contact your local IDC office or visit www.idc.com.

[iCharts](#)

Companies Covered

[Lenovo Group Limited](#), [Acer Inc.](#), [Dell Inc.](#), [ASUSTeK Computer Inc.](#), [Hewlett-Packard Company](#)

Regions Covered

[Central and Eastern Europe](#), [Middle East and Africa](#), [Western Europe](#)

Topics Covered

[Desktop PC](#), [Portable PC](#)

Contact

For more information, contact:

Maciek Gornicki
mgornicki@idc.com
+44 (0) 20 8987 7233

Chrystelle Labesque
clabesque@idc.com
+44 (0) 20 8987 7229

Stefania Lorenz
slorenz@idc.com
+44 (0) 20 8987 7249

Related Links

[Press FAQ](#) [Contact](#) [Press Relations](#)

Katja Schmalen

Director Marketing & PR



direct +49 69 90502-115
mobile +49 172 6284037
fax +49 69 90502-100
email kschmalen@idc.com

IDC Central Europe GmbH
Hanauer Landstrasse 182 D
60314 Frankfurt am Main
www.idc.de

Geschäftsführer: Kirk Stefan Campbell, Steven Frantzen, Wafa Moussavi-Amin
Amtsgericht: Frankfurt am Main HRB Nr. 51346 • USt-ID-Nr. DE811465155 • Steuer-Nr: 14310080137

IDC ist der weltweit führende Anbieter von Marktinformationen, Beratungsdienstleistungen und Veranstaltungen auf dem Gebiet der Informationstechnologie und der Telekommunikation. IDC analysiert und prognostiziert technologische und branchenbezogene Trends und Potenziale und ermöglicht ihren Kunden so eine fundierte Planung ihrer Geschäftsstrategien sowie ihres IT-Einkaufs. Durch das Netzwerk der mehr als 1000 Analysten in 110 Ländern mit globaler, regionaler und lokaler Expertise kann IDC ihren Kunden umfassenden Research zu den verschiedensten Segmenten des IT-, TK- und Consumer Marktes zur Verfügung stellen. Seit 50 Jahren vertrauen Business-Verantwortliche und IT-Führungskräfte bei der Entscheidungsfindung auf IDC.

IDC ist ein Geschäftsbereich der IDG, dem weltweit führenden Unternehmen in den Bereichen IT- Publikationen, Research sowie Ausstellungen und Konferenzen. Weitere Informationen sind auf unseren Webseiten unter www.idc.com oder www.idc.de zu finden.