Gartner

Press Release

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Gartner Says Worldwide PC Shipments Grew 1.9 Per Cent in First Quarter of 2012

EMEA PC Market Outgrew Worldwide PC Market in First Quarter 2012 Thanks to Solid Demand for Professional PCs

STAMFORD, Conn., April 11, 2012 — Worldwide PC shipments totalled 89 million units in the first quarter of 2012, a 1.9 per cent increase from the first quarter of 2011, when shipments reached 87.3 million units, according to preliminary results by Gartner, Inc. These results exceed Gartner's earlier projections of a 1.2 per cent decline for the quarter.

"The results were mixed depending on the region, as we saw the EMEA region perform better than expected, while Asia/Pacific performed below expectations, in part because of slow growth in India and China," said Mikako Kitagawa, principal analyst at Gartner. "While the PC industry has high expectations for strong growth in the emerging markets, the slowdown of these countries in this quarter provides a cautionary notice to vendors that the future growth for the PC industry cannot heavily depend on the emerging markets even though PC penetration in these regions is low."

"In general, the hard-disk drive (HDD) supply shortage had a limited impact on PC supply during the first quarter of 2012. There was a moderate impact on selected markets, such as low-end consumer notebooks and the white-box market in selected regions. Still, low PC demand was able to mask the tight HDD supply overall."

Although PC vendors typically experience low consumer PC sales in the first quarter, Gartner's preliminary results reveal worse-than-normal consumer PC shipment growth. The weak consumer PC demand is in part because of intensified competition for consumers' budgets. Device vendors that focus on a limited product line will get only a small portion of the consumer wallet. Companies such as Apple can be clear winners because of comprehensive product/service offerings, which gain a large part of consumers' spending.

HP increased its share as the global market leader, as it accounted for 17.2 per cent of worldwide PC shipments in the first quarter of 2012 (see Table 2). HP was able to secure HDD inventory, unlike in the fourth quarter of 2011 when it was faced with a shortage issue. HP's growth also indicates that internal management issues were resolved, and analysts said it appears HP was able to restore some of the business it lost as a result of those issues.

Table 1
Preliminary Worldwide PC Vendor Unit Shipment Estimates for 1Q12 (Units)

Company	1Q12 Shipments	1Q12 Market Share (%)	1Q11 Shipments	1Q11 Market Share (%)	1Q12-1Q11 Growth (%)
HP	15,305,413	17.2	14,785,739	16.9	3.5
Lenovo	11,629,510	13.1	9,075,667	10.4	28.1
Dell	9,826,121	11.0	9,984,358	11.4	-1.6

Acer Group	9,684,524	10.9	10,660,254	12.2	-9.2
ASUS	5,361,994	6.0	4,420,328	5.1	21.3
Others	37,171,419	41.8	38,357,841	43.9	-3.1
Total	**88,978,981**	**100.0**	**87,284,188**	**100.0**	**1.9**

Note: Data includes desk-based PCs and mobile PCs, including mini-notebooks but not media tablets such as the iPad.
Source: Gartner (April 2012)

Lenovo experienced the strongest growth among the top five vendors, as its shipments increased 28.1 per cent in the first quarter of 2012. Lenovo has been enjoying healthy growth in the professional market, while the company successfully expanded into the consumer space.

Dell underperformed in most regions compared with a year ago. For the first time in two years, Dell experienced a year-on-year shipment decline in the Asia/Pacific market. Gartner analysts said early indications suggest that Dell's relatively low shipments were mainly due to low-end consumer systems, to which Dell gave low priority. Dell's investments seem to be more focused toward businesses.

In the US, PC shipments totalled 15.5 million units in the first quarter of 2012, a 3.5 per cent decline from the same period last year (see Table 2). Gartner analysts had expected the market to decline 6.1 per cent in the quarter.

"The consumer segment continued to be a drag on market growth, as PC demand was low," Ms Kitagawa said. "The HDD supply shortage moderately impacted the very low-end consumer notebook market, so channels could not run aggressive promotions with very low-end systems. Questions remain on whether low-end systems can attract consumers, as their attention has moved to other devices."

HP experienced the strongest growth among the top five vendors in the US, as its shipments grew 6.6 per cent, and its market share reached 29 per cent in the quarter. Apple was the only other vendor among the top five to show growth in the quarter, as its shipments increased 3.8 per cent.

Table 2
Preliminary US PC Vendor Unit Shipment Estimates for 1Q12 (Units)

Company	1Q12 Shipments	1Q12 Market Share (%)	1Q11 Shipments	1Q11 Market Share (%)	1Q12-1Q11 Growth (%)
HP	4,493,516	29.0	4,213,342	26.2	6.6
Dell	3,459,925	22.3	3,587,716	22.3	-3.6
Apple	1,640,814	10.6	1,580,200	9.8	3.8
Acer Group	1,418,043	9.1	1,913,473	11.9	-25.9
Toshiba	1,349,900	8.7	1,669,700	10.4	-19.2
Others	3,158,050	20.3	3,126,149	19.4	1.0
Total	**15,520,247**	**100.0**	**16,090,581**	**100.0**	**-3.5**

Note: Data includes desk-based PCs and mobile PCs, including mini-notebooks but not media tablets such as the iPad.
Source: Gartner (April 2012)

PC shipments in EMEA totalled 28.2 million units in the first quarter of 2012, a 6.7 per cent increase from the same period last year (see Table 3).

"The EMEA PC market grew faster than the worldwide PC market because of solid demand from the professional market as organisations executed long-awaited Windows 7 plans," said Ranjit Atwal, research director at Gartner. Demand came from Western Europe as well as emerging markets, and it strengthened the desk-based PC market. Gartner estimates that the EMEA desk-based PC market will account for 40 per cent of total PC shipments in 2012. "The desk-based PC isn't dead yet," added Mr Atwal.

Table 3
Preliminary EMEA PC Vendor Unit Shipment Estimates for 1Q12 (Units)

Company	1Q12 Shipments	1Q12 Market Share (%)	1Q11 Shipments	1Q11 Market Share (%)	1Q12-1Q11 Growth (%)
HP	5,763,866	20.5	5,028,851	19.1	14.6
Acer Group	3,810,749	13.5	4,177,199	15.8	-8.8
Dell	2,482,420	8.8	2,318,108	8.8	7.1
ASUS	2,343,568	8.3	1,945,997	7.4	20.4
Lenovo	2,303,137	8.2	1,555,106	5.9	48.1
Others	11,449,881	40.7	11,367,382	43.1	0.7
Total	**28,153,622**	**100.0**	**26,392,643**	**100.0**	**6.7**

Note: Data includes desk-based PCs, mobile PCs, including mini-notebooks but not media tablets such as the iPad.
Source: Gartner (April 2012)

Growth in PC shipments to Central and Eastern Europe was slightly higher than expected, with improved demand from Russia and members of the Commonwealth of Independent States, and more modest upturns in other countries. The Middle East and Africa also had an upbeat quarter, with spending returning to the consumer market.

Although there was no change in the ranking of the top five vendors, vendors' performances varied. HP not only retained the No. 1 position, but increased its market share and its lead over its closest rivals, Acer and Dell. Lenovo exhibited the best growth, thanks to solid increases across its desk-based and mobile PC lines. Acer continued to reduce its inventory levels, and was the only top-five vendor to show a decline.

Overall, the EMEA PC market had a very weak 2011, not helped by the shortage of HDDs. However, the relative stability of the economic environment gave vendors an opportunity to replenish inventory and meet demand for professional PCs.

In Asia/Pacific, PC shipments reached 30.3 million units in the first quarter of 2012, a 2 per cent increase from the first quarter of 2011. In China, shipments of desk-based PCs decreased significantly as there was no longer a rural PC program in place to drive demand. In India, the Tamil Nadu deal, operated by local government to provide free laptops to students, was supposed to be executed in the first quarter, but it has been postponed to subsequent quarters.

The PC market in Latin America declined 3.2 per cent in the first quarter of 2012, as shipments totalled 9 million units. Mobile PC shipments grew 0.4 per cent over the first quarter of 2011, while desk-based PC shipments decreased 7.6 per cent. Many white-box PC vendors had depleted inventory due to the HDD shortage.

PC shipments in Japan grew 11.5 per cent in the first quarter of 2012, as shipments reached 4.4 million units. The double-digit growth was due in part to the very weak performance in the first quarter of 2011, which was affected by the earthquake and tsunami in Japan in March of last year.

"The first quarter of 2012 was a transitional period as the PC industry is awaiting two big releases: Intel's Ivy Bridge and Microsoft's Windows 8. Both are expected to be launched this year. Although these new releases are not expected to stimulate demand as much as the industry hopes, they will affect PC supply so that there will be artificial supply control before and after the product releases. There will be few products rolled out into the market until these major releases have taken place," Ms Kitagawa said.

These results are preliminary. Final statistics will be available soon to clients of Gartner's PC Quarterly Statistics Worldwide by Region programme. This programme offers a comprehensive and timely picture of the worldwide PC market, allowing product planning, distribution, marketing and sales organisations 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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