Australian Traditional PC Market Up 8.8% Year over Year in 2018Q2

SYDNEY, September 27th, 2018 – Australian Traditional PC (Desktops, Notebooks, Workstations) shipments grew 8.8% year-over-year (YoY) in the second quarter of 2018 (April, May, June) to 1,073M units, according to the ***IDC Quarterly Personal Computing Devices Tracker, 2018Q2.*** This growth was substantially driven by the commercial market, growing 16.1% YoY, while the consumer segment experienced minor decline at -0.4% YoY.

Notebook shipments grew 12.5% YoY, due to the continuing growth in ultraslim notebooks with 28.4% YoY, and convertible notebooks with 26.8% YoY growth, while traditional notebooks declined 6.2% YoY. The desktop product category rose slightly by 1.3% YoY driven by the commercial segment.

"Robust growth of ultraslim and convertible notebooks shows that Australian consumers and businesses are willing to pay a premium for the latest thin and light notebooks, " said Sean Ashari, Market Analyst for Client Devices Research at IDC Australia.

Top 3 vendors displayed **double digit growth** YoY during 2018Q2:

HP maintained its market lead, and continuing its 8 consecutive quarters of YoY growth, resulted in a 15.7% YoY growth in 2018Q2. HP grew in the retail space while launching new products including premium convertible notebooks.

Dell posted the largest growth in the top 5 vendors with 20.9% YoY increase in 2018Q2. This has been driven by significant growth in small and medium business (SMB) and small government contracts as procurement managers use the last of their budget.

Lenovo jumped from 4th ranked position by shipments to 3rd thanks to its 11.6% YoY growth driven by its success in a large government contract as well as growth in the very large business segment.

Figure 1

Top Five Companies in the Australian Traditional PC Market, Shipments, Market Share, and Year-Over-Year Growth, 2018Q2 Data (Units in Thousands)

Company	2017Q2 Shipment Volumes	2018Q2 Shipment Volumes	2018Q2 Market Share	Year-Over-Year Unit Change (2018Q2 over 2017Q2)
HP Inc	271.4	314.0	29.3%	15.7%
Dell Inc	180.7	218.4	20.4%	20.9%
Lenovo	165.4	184.5	17.2%	11.6%
Apple	129.7	117.9	11.0%	-9.1%
Acer Group	95.9	115.2	10.7%	20.1%
Others	142.5	122.5	11.4%	-14.0%
Total	**985.5**	**1,072.6**	**100.0%**	**8.8%**

Source: *IDC Quarterly Personal Computing Devices Tracker, 2018Q2, August 2018*

Segment Highlights:

Growth in public sector segment

IDC research found that shipments in the public sector grew 28.3% YoY for 2018Q2. The increase in government spending was primarily driven by procurement from the Department of Human Services, followed by education contract renewals.

Decline in consumer segment

Despite rising consumer confidence levels, resulting from Federal Government income tax cuts, the Traditional PC consumer segment continues to fall 0.4% YoY for 2018Q2. There are many factors contributing to this including the onward trend of increasingly longer life span for Traditional PCs and the trend of web use continuing to shift towards smartphones.

Branded gaming notebooks is a bright spot in an otherwise lackluster consumer market

Branded gaming notebooks experienced a 12.8% YoY growth in shipments for 2018Q2 while branded gaming desktops declined 24.2% YoY. The decline in the share of these gaming desktops was partially due to impending new releases of gaming graphics cards, resulting in consumers delaying purchases of these devices until later in the year. Branded gaming is where Australian consumers are willing to invest to upgrade their hardware.

The second quarter of 2018 benefited from high consumer sentiment and high GDP growth, however the 2nd half of 2018 is seeing continued local political instability, rising local loan increase rates, a drop in the Australian Dollar vs U.S. Dollar, and a projection of further USA/

CHINA tariffs negatively affecting the Australian economy, resulting in lowered consumer and business confidence. It will be very likely that the 2nd half of 2018 will underperform in Traditional PC Shipments compared to the 1st half of 2018.

For more information on the *IDC Quarterly Personal Computing Devices Tracker, 2018Q2*, please contact Sean Ashari at sashari@idc.com or Shirley-Ann Ujhazy sujhazy@idc.com for media inquiries.

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