



CEMA Counteracts a Sinking Western European External Storage Market, Says IDC

LONDON, September 11, 2019 — The EMEA external storage systems market in 2019Q2 recorded the first negative quarter in the past eight quarters, with a 3.4% year-on-year decline in value in dollars, according to International Data Corporation's (IDC) EMEA Quarterly Disk Storage Systems Tracker. However, the market increased 2.5% year on year in euros, showing the negative impact of exchange rates.

The all-flash-array (AFA) market represented 36.5% of total external storage shipments in the region, while hybrid arrays (HFAs) remained the most popular array type, accounting for almost 46% of total shipments in value terms for the quarter. HDD-only shipments continued to lose ground, registering only 17.6% of value.

Western Europe

The Western European market value declined by 5.1% in dollars but remained afloat with a 0.7% increase in euros.

All-flash arrays suffered a temporary setback in the subregion, representing 34% of total shipments, compared with 37% a year ago. They declined more than 13% year on year, the first decline on record, with consumers showing a marked preference for hybrid arrays. HFAs, in fact, accounted for 48% of shipments, and were the only array type with a year-on-year increase in dollars, at almost 4%.

Storage spending in the region has been impacted by a major slowdown in the German economy, while the U.K. recorded a single-digit decline.

"Unstable macroeconomic conditions and unfavorable exchange rates have taken a toll on the European market, with enterprises showing cautiousness in investments compared with the previous quarters' increased datacenter refreshment activities," said Silvia Cosso, research manager, European Storage and Datacenter Research, IDC. "A bright spot in the quarter has been the hyperconverged/HCI segment, increasingly the system of choice to support a multicloud environment for emerging and complex workloads."

Central and Eastern Europe, the Middle East, and Africa

In 2019Q2, the Central and Eastern Europe, the Middle East, and Africa (CEMA) storage market value increased 2.2% in dollars on the back of AFA shipments, which partially offset the negative trend in Western Europe. Central and Eastern Europe (CEE) outperformed both the Middle East/Africa and Western Europe in growth.

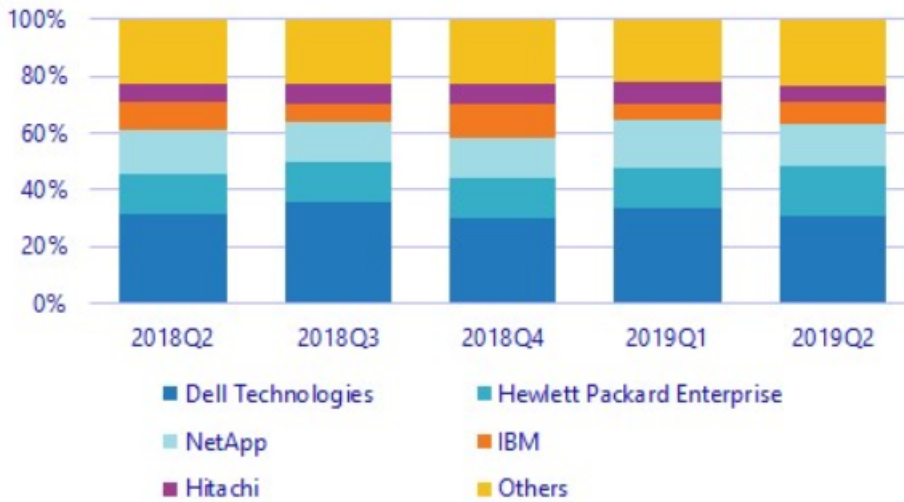
The AFA segment was the bright spot that kept the market on the positive side, managing to achieve 11% YoY growth and a 32% share, mostly due to momentum in Central European countries that had previously lagged in AFA penetration. The MEA region again had a mixed performance, with Gulf countries benefiting from the large projects taking place there, while other major countries' storage demand suffered from an economic slowdown, lack of datacenter refreshment, and technology shifts to converged infrastructure.

"The slowdown in storage growth demonstrates the higher maturity level of the CEMA markets but also some discrepancies in supply vs demand of storage solutions. Even the lucrative AFA market saw a shift to NVMe-based systems rather than an expansion of the installed base," said Marina Kostova, research manager, Storage Systems, IDC CEMA. "Storage vendors' readiness to supply the solutions to meet end users' digital transformation needs varies and is the reason for the mixed performance of the entire market."

Top 5 Vendors, EMEA External Enterprise Storage Systems Value (\$M)					
Company	2018Q2	2018Q2 Market Shares	2019Q2	2019Q2 Market Shares	2019Q2 YoY Growth
Dell EMC	\$604.39	33.99%	\$565.44	32.85%	-6.44%
Hewlett Packard Enterprise	\$260.87	14.67%	\$320.69	18.63%	22.93%
NetApp	\$298.31	16.78%	\$272.09	15.81%	-8.79%
IBM	\$187.85	10.57%	\$139.23	8.09%	-25.88%
Hitachi	\$116.47	6.55%	\$107.23	6.23%	-7.93%
Others	\$310.06	17.44%	\$316.44	18.39%	2.06%
Total	\$1,777.95	100.00%	\$1,721.12	100.00%	-3.20%

Figure 1

EMEA Top 5 Enterprise Storage Systems Companies, 2019Q2 Value Market Share



Source: IDC 2019

IDC's Worldwide Quarterly Disk Storage Systems Tracker enhances clients' ability to quickly and effectively respond to today's dynamic storage market. Understanding which global markets and segments are growing and knowing the quarterly adoption curve for new products have become business-critical needs for disk storage vendors, supply chain partners, and the Wall Street financial community.

About IDC

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