LONDON, April 22, 2020 — The Europe, Middle East, and Africa (EMEA) traditional PC market (desktops, notebooks, and workstations) declined YoY in 2020Q1 (-3.1% YoY) and totaled 16.4 million units, according to International Data Corporation (IDC). Amid the problematic macroeconomic scenario caused by the COVID-19 pandemic, the commercial market still achieved a flattish growth of 0.7% YoY, but this was insufficient to offset the heavy consumer decline of 8.5% YoY.

The Western European PC market contracted 1.2% YoY, as a modest commercial growth of 3.0% YoY was outweighed by a heavy consumer decline of 8.9% YoY.

In the commercial sector, desktop posted the stronger growth rate of 6.3% YoY, benefiting from greater insulation from the manufacturing supply chain problems, as well as strong demand from the tail-end of the W7 install base that needed to be refreshed. A larger presence of factories in China meant that notebooks were more susceptible to supply constraints, but small growth of 0.9% YoY was achieved. There was a large spike in demand for mobile form factors to address the sudden rise in employees working from home and students learning from home. However, manufacturing and logistical supply chain constraints meant supply could not match demand. Despite factories beginning to approach operation at full capacity, supply constraints are still evident across multiple key components.

"The logistical impacts of COVID-19 also continue to bottle neck the supply chain" said Liam Hall, senior research analyst, IDC Western Europe Personal Computing. "With passenger flights almost at a standstill, OEM's are having to substitute air freight shipments for sea, and where possible
rail, increasing lead times and impacting their ability to address the big bookings that have risen as a consequence of the higher demand"

With consumer spending a lot more conscious amid the ongoing pandemic, a lot of PC renewals were relegated to a needs-basis where stationary devices were prioritized lower down the queue than their mobile counterparts. There was a surge in gaming demand generated by people stuck at home due to the lockdown looking for sources of entertainment, which was of particular benefit to gaming notebooks, but supply chain constraints meant that the full demand could not be met.

In CEMA, the first quarter of the year has been very challenging across all ICT sectors, with the COVID-19 lockdowns that have created additional impact on the traditional PC market. Despite many Chinese PC manufacturers returning to work, the supply chain has yet to be fully “normalized” causing the disruption in supply chains in the first quarter. Consumers have prioritized devices like notebooks and tablets that enable them to work and learn remotely, resulting in increased demand observed in the markets when lockdowns were applied.
In 2020Q1, traditional the PC market in the CEE region recorded a relatively small decline of 3.1% YoY. Both desktops and notebooks declined by 4.9% YoY and 2.1% YoY respectively, with consumer demand being the most affected. In fact, consumer demand shrank 8.2% YoY, while the commercial segment performed strongly with growth of 4.2% YoY, thanks to some public and corporate tenders been fulfilled in the region.

"The MEA region on the other hand was unable to sustain any growth and contracted 10.8% YoY," said Nikolina Jurisic, Product Manager, IDC EMEA. "Markets across the region have been badly affected not just by constraints in the supply chain, but also by oil prices. The commercial segment was hit the most, with a market contraction of 13.7% YoY, while the consumer segment recorded a decrease of 7.9% YoY."

Vendor Highlights

Traditional PC market consolidation persisted, and the top 3 vendors' share continued to grow in 2020Q1. The top 3 players accounted for 69.6% of total market volume, compared with 69.0% in 2019Q1.

- HP Inc remained leader in the EMEA PC market with a market share of 26.6%. The vendor suffered a YoY shipment decline of 11.3%, as a result of difficulties in supply following the COVID-19 fallout.
Lenovo (including Fujitsu) remained in second and saw a 26.4% market share. The ability to satiate the significant commercial demand during the COVID-19 pandemic helped the vendor register a 5.9% YoY growth in shipments.

Dell Inc. remained in third position, posting a market share of 16.6%. For yet another quarter, the vendor saw growth, enjoying a 7.8% increase YoY in shipments. Like other vendors, this can be attributed to commercial demand being satiated to enable employees to work from home during COVID-19 lockdowns.

ASUS rose once again, this time into fourth position with a share of 7.0%. Its second quarter of growth after 12 consecutive quarters of strong decline, the vendor saw growth of 3.1% YoY, supported by an uptake in consumer demand for gaming and entertainment during COVID-19 lockdowns.

Acer dropped to fifth position with a market share of 6.5%. Supply chain constraints proved problematic for the vendor, which declined by 10.4% YoY.

Figure 1

<table>
<thead>
<tr>
<th>Company</th>
<th>2020Q1 Shipments</th>
<th>2020Q1 Share</th>
<th>2019Q1 Shipments</th>
<th>2019Q1 Share</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>HP Inc.</td>
<td>4,368</td>
<td>26.6%</td>
<td>4,527</td>
<td>39.0</td>
<td>-11.3%</td>
</tr>
<tr>
<td>Lenovo (Includes Fujitsu)</td>
<td>4,335</td>
<td>26.4%</td>
<td>4,092</td>
<td>24.1%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Dell Inc.</td>
<td>2,730</td>
<td>16.6%</td>
<td>2,531</td>
<td>14.9%</td>
<td>7.8%</td>
</tr>
<tr>
<td>ASUS</td>
<td>1,156</td>
<td>7.0%</td>
<td>1,121</td>
<td>6.6%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Acer</td>
<td>1,065</td>
<td>6.5%</td>
<td>1,188</td>
<td>7.0%</td>
<td>-10.4%</td>
</tr>
<tr>
<td>Others</td>
<td>2,784</td>
<td>17.0%</td>
<td>3,105</td>
<td>18.3%</td>
<td>-10.4%</td>
</tr>
<tr>
<td>Total</td>
<td>16,438</td>
<td>100.0%</td>
<td>16,966</td>
<td>100.0%</td>
<td>-3.1%</td>
</tr>
</tbody>
</table>

Table notes:

- Some IDC estimates were made prior to financial earnings reports.
• Shipments include shipments to distribution channels or end users. OEM sales are counted under the vendor/brand under which they are sold.

• Traditional PCs include desktops, notebooks, and workstations, and do not include tablets or x86 servers. Detachable tablets and slate tablets are part of the Personal Computing Device Tracker, but are not addressed in this press release.

• Data for all vendors is reported for calendar periods.

For more information on IDC’s EMEA Quarterly Personal Computing Device Tracker or other IDC research services, please 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.

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