



China's Surge Into 5G Will Push the Worldwide Smartphone Market Back to Growth in 2020, According to IDC

FRAMINGHAM, Mass. November 26, 2019 – Following three straight years of market contraction, global smartphone shipments are expected to return to growth in 2020 fueled by ambitious 5G plans in China. According to the latest forecast from the International Data Corporation (IDC) [Worldwide Quarterly Mobile Phone Tracker](#), the worldwide smartphone market is expected to grow 1.5% year over year in 2020 with shipments volumes just over 1.4 billion. IDC expects 190 million 5G smartphones to ship in 2020, accounting for 14% of total smartphones shipped, which far exceeds the first year of 4G shipments (2010) at 1.3%.

"Recent developments in the China market along with anticipation of aggressive activity from the smartphone supply chain and OEMs have caused us to raise our short-term 5G forecast," said [Ryan Reith](#), program vice president with IDC's [Worldwide Mobile Device Trackers](#). "There is little doubt that China will quickly become the lead market in terms of 5G volume, but other important markets like the U.S., Korea, United Kingdom, and Canada are all expected to help drive 2020 volume. The real story here is around pricing, which includes both hardware and service. We are very confident that 5G smartphone prices will come down quickly in order for this market segment to grow."

Following three straight years of declining smartphone volumes there leaves little room for 5G to raise smartphone ASPs. Additionally, the nearly ubiquitous 4G LTE around the world generally provides users with satisfactory data speeds. Android vendors are expected to drive down the cost of 5G smartphones starting with an abundance of first quarter announcements at both CES and MWC. Apple's entrance into the 5G smartphone market is highly anticipated for a September 2020 announcement with the real focus around pricing and market availability.

"Apart from the expected rapid 5G growth in China, we also can't miss watching other markets such as Australia, Japan, and Korea in Asia/Pacific as well as some European countries that have picked up 5G slower than predicted. Shipments so far in the second half of 2019 have come in much lower than expected and price points are not quite at the premium. Accelerated 5G adoption globally will depend a lot on factors like the arrival of 5G networks, operator support, as well as substantial price reductions to offer more affordable 5G devices," said [Sangeetika Srivastava](#), senior research analyst with IDC's [Worldwide Mobile Device Trackers](#).

Figure 1



Platform Highlights

Android: Android's smartphone share will increase to 86.6% in 2019 from 85.1% in 2018 mostly due to 5G launches and expanded product portfolios of global Chinese players. Volumes are expected to grow at a five-year compound annual growth rate (CAGR) of 1.7% with shipments of 1.3 billion in 2023. Android ASPs are estimated to grow by 1.5% in 2019 to US\$258, up from US\$255 in 2018, with a push from the new devices becoming available in 2H19.

iOS: 2019 will remain a challenging year for iPhone shipments with volumes expected to drop to 185 million, down 11.4% year over year, mostly due to stressed market headwinds as well as a lack of 5G devices. However, Apple is likely to deliver 5G handsets later in 2020, which will pick up iOS volumes slightly. It will have an edge over other vendors with a better 5G understanding to launch iOS 5G devices.

Worldwide Smartphone Platform Shipments, Market Share and Annual Growth for 2019 and 2023 and 5-Year CAGR (shipments in millions)							
Platform	2019 Shipment Volume*	2019 Market Share*	2019 Year-over-	2023 Shipment Volume*	2023 Market Share*	2023 Year-over-	2018-2023 CAGR*

			Year Growth*			Year Growth*	
Android	1,197.2	86.6%	0.3%	1,296.8	87.1%	1.7%	1.7%
iOS	185.0	13.4%	-11.4%	192.5	12.9%	1.3%	-1.6%
Others	0.0	0.0%	-94.8%	0.0	0.0%	4.9%	-43.4%
Total	1,382.3	100.0%	-1.4%	1,489.4	100.0%	1.7%	1.2%
Source: IDC Worldwide Quarterly Mobile Phone Tracker, November 26, 2019.							

* **Table Note:** All figures are forecast projections and all figures may not be exact due to rounding.

About IDC Trackers

[IDC Tracker](#) products provide accurate and timely market size, vendor share, and forecasts for hundreds of technology markets from more than 100 countries around the globe. Using proprietary tools and research processes, IDC's Trackers are updated on a semiannual, quarterly, and monthly basis. Tracker results are delivered to clients in user-friendly excel deliverables and on-line query tools.

For more information about IDC's Worldwide Quarterly Mobile Phone Tracker, please contact Kathy Nagamine at 650-350-6423 or knagamine@idc.com.

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About IDC

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