



Concerns Over Impending Tariffs Mixed with Holiday Seasonal Demand to Lift the Notebook PC ODM Industry in Q3 2019, According to IDC

FRAMINGHAM, Mass., December 9, 2019 – Global production volume by the notebook PC ODM industry increased by 9.5% to 43.4 million units in the third quarter of 2019, according to the latest results from the International Data Corporation ([IDC](#)) [Worldwide Notebook ODM QView](#). Ongoing concerns about the trade war between the United States and China continue to have the industry pulling in notebook PC orders with the hope of getting supply ahead of potential price increases. This combined with normal 3Q19 seasonal demand to drive PC ODM production volumes to strong growth.

"Seasonal demand ahead of the holidays and ongoing concerns around the trade war were the main drivers of worldwide notebook PC ODM shipment growth in the third quarter. While many ODMs have readied their assembly production plans for outside of China, the reality is that the largest notebook PC manufacturing cluster (the supply chain) remains in China. To save manufacturing and materials logistics costs, vendors are trying to prebuild their inventories before any tariffs are imposed, which is driving the growth in ODM shipments of notebook PCs," said [Annabelle Hsu](#), associate research director for IDC's Worldwide ODM and Display Research Group.

Worldwide notebook PC production continued to be dominated by Taiwanese notebook PC ODM/EMS ODMs in the third quarter of 2019. As a result of the ongoing trade disputes between the U.S. and China, manufacturing locations are changing and have expanded from China to other Asi/Pacific countries including Taiwan, Vietnam, Indonesia, and the Philippines. In terms of the top five ODM shares and rankings, Compal's shipments continued to hold the top spot in 3Q19, followed by Quanta and LCFC.

Worldwide Top 5 Notebook PC ODM/EMS Companies, Market Share (based on shipments), 1Q2019 - 3Q2019			
ODM/EMS	1Q19 Market Share	2Q19 Market Share	3Q19 Market Share
1. Compal	26.0%	30.5%	26.4%
2. Quanta	20.3%	21.0%	21.4%
3. LCFC	13.5%	10.0%	14.1%
4. Wistron	9.7%	9.4%	10.3%
5. Inventec	10.2%	9.1%	8.7%

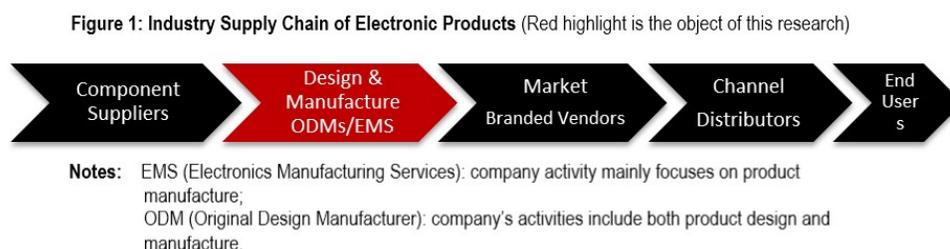
Source: IDC Worldwide ODM & Display Industry Research Group, December 2019

Looking ahead to the fourth quarter, IDC believes the inventory prebuilt during the first three quarters of 2019 and lingering Intel CPU shortages will result in a decline in shipment volumes from notebook PC ODM companies.

IDC Worldwide ODM & Display Industry Research

The object of IDC's Worldwide ODM & Display Research is the compilation of manufacturers who provide ODM and EMS services to their clients – branded vendors. The ODM/EMS manufacturers are in the upstream of the industry supply chain, indicated by the red mark in the figure below. ODM/EMS manufacturers include Foxconn, Huaqin, Compal, Quanta, Compal, Wistron, and others. Their clients are branded or white-box vendors, such as Apple, Amazon, Lenovo, Huawei, Oppo, and others.

Figure 1



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