Traditional PC Market in the Asia/Pacific* Region Grew by 3.8% in 2019 Driven by Windows 10 Renewals, But Challenging Times Lie Ahead, says IDC

SINGAPORE, March 10th, 2020 – According to the latest IDC Quarterly Personal Computing Devices Tracker 2019Q4, the Traditional PC market (Desktops, Notebooks, Workstations) grew by 3.8% – total of 103.3M units – in Asia/Pacific (including Japan) in 2019. The market was driven by growth in the commercial segment, which reached 57.9M units and posted a 7.5% increase. The shipments were boosted by PC refreshes related to Windows 10 migration, which drove demand in both public and private sectors across the region. In Japan, the commercial market recorded an astounding 59.7% increase, supported predominantly by Windows 10 renewals.

"With Windows 7 end of support looming, many businesses migrated to Windows 10 and refreshed their old devices at the same time last year. While this was primarily in Japan, refreshes were driving demand in other Asia/Pacific* countries too, bringing growth to the overall commercial PC segment in the region," says Jennifer Kwan, Market Analyst for Client Devices at IDC Asia/Pacific.

Several large deployments to education supported the public sector (e.g. 1.6 million units for the ELCOT tender in India, and education projects in Indonesia). On the other hand, the commercial market in China remained soft, tarnished by ongoing US-China trade tensions and a drop in projects in the public sector.

In the consumer market, shipments declined by 0.6% in 2019, bringing total volumes to 45.3M units. Desktop shipments contracted by 11.3% amid an ongoing drop in demand, as many consumers continued to switch to portable devices. Notebook PCs posted growth of 3.6% thanks to ultraslim notebooks with chassis thinner than 21mm. The consumer market also continued to grow in the gaming space, fueled by strong demand from users, more offerings at lower price points, and more appealing designs. These factors made gaming notebooks one of the best performing segments in the PC market in 2019, with consumer gaming notebook shipments increasing by 11.9%.

One of the big winners in the consumer PC market in 2019 was AMD. Thanks to an increase in the number of offerings with Ryzen processors, as well as Intel's ongoing supply shortages, AMD managed to increase its share in the consumer market from 11.4% in 2018 to 17.4% in 2019, with AMD-based PC shipments growing by 52.4%.

"It was a big year for AMD in the PC space. Not only have they managed to significantly increase the number of wins with multiple vendors thanks to their extremely successful Ryzen product portfolio, but they also gained ground in countries like Korea and Vietnam, where they had almost no presence at all in the past. AMD is also winning new designs with vendors that did not carry their processors previously, such as Microsoft, Xiaomi, and LG Electronics. Although Intel supply constraints might have made things easier for AMD, they are also winning thanks to an impressive product offering, and they will not sit back – I would expect them to continue this good performance in the coming year," says Maciek Gornicki, Senior Research Manager for Client Devices at IDC Asia/Pacific.

Figure 1

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ANALYZE THE FUTURE

Top Companies, Asia Pacific Traditional PC Shipments, Market Share, and YoY Growth, 2019 and 2018 (shipments are in thousands of units)					
Company	2019 Shipments	2019 Market Share	2018 Shipments	2018 Market Share	2019/2018 Growth
1. Lenovo	31,246	30.2%	29,438	29.6%	6.1%
2. HP Inc	15,369	14.9%	13,962	14.0%	10.1%
3. Dell Technologies	14,574	14.1%	13,523	13.6%	7.8%
4. ASUS	7,631	7.4%	7,739	7.8%	-1.4%
5. Acer Group	5,867	5.7%	6,044	6.1%	-2.9%
Others	28,606	27.7%	28,828	28.9%	-0.8%
Total	103,293	100.0%	99,534	100.0%	3.8%
Source: IDC Quarterly Personal Computing Device Tracker, 2019Q4					
Note: All figures are rounded off					

2019 Top 5 Traditional PC Company Highlights:

- Lenovo topped the PC market ranking with 30.2% share in the market and shipment growth of 6.1%. The vendor benefited from large deployments to education segment – driven by the ELCOT tender in India – and strong demand in the private sector due to Windows 10 migration across the region.
- HP Inc. placed second, with market share of 14.9% and a growth in shipments of 10.1%. The vendor performed well in the private sector, with growth driven by Windows renewal projects, primarily in Japan, and Korea. HP Inc's education shipments were boosted by projects in India, Indonesia, and the Philippines.
- Dell Technologies ranked third, finishing the year with a market share of 14.1% and shipment growth of 7.8%. The vendor posted an increase across all commercial segments in 2019 and in all countries except PRC, Philippines, and Thailand. However, it witnessed a decline in the consumer segment, particularly in India.
- Asus recorded a mild decline of -1.4%, due to weaker performance in the consumer segment in PRC, Taiwan, Indonesia, and the Philippines.

- Acer Group remained in the Top 5 companies in 2019, but its shipments declined by -2.9%. The vendor recorded a slight growth in the consumer market, supported by increases in ultraslim and gaming notebooks, and good results in ASEAN.

Challenging times ahead in 2020 with Windows renewals winding down, COVID-19 impacting the market.

Despite the positive results of 2019, IDC forecasts the traditional PC market in APJ to decline by -14.0% in 2020. PC shipments are expected to see softer demand, delays, and supply constraints due to the COVID-19 outbreak in China. With many factories closed throughout February, and manufacturers not being able to ship their products out of China due to logistics issues, an impact on supply is inevitable.

“Many countries directly impacted by the COVID-19 outbreak, such as China, Korea and Singapore, are expected to see a dip in consumer demand given the limited retail traffic. Consumer shipments are forecasted to decline by -6.7% across APJ* in 2020. Commercial renewals related to Windows 10 migration are also expected to wind down, particularly in Japan, bringing the commercial APJ* PC market to a -19.7% decline in 2020,” ends Kwan.

*Note: Asia/Pacific (including Japan)

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For more information contact:

Charles Cedric Joshua V. Tamayo (cjtamayo)
cjtamayo@idc.com
+63 9189 2690 72
Alvin Afuang (aafuang)
aafuang@idc.com
+63 9177 9745 86
Jennifer Kwan (jkwan)
jkwan@idc.com
+852 4241
Maciek Gornicki (mgornicki)
mgornicki@idc.com
+65 6829 7749
Kenneth Liew (kliew)
kliew@idc.com
+65 6829 7785
Bryan Ma (bma)
bma@idc.com
+65 6829 7733