Amidst Component Shortages and Consumer Softness, Windows 10 Transition Will Keep the EMEA PC Market In positive Territory, Says IDC

LONDON, September 3rd, 2019 — Shipments of EMEA traditional PCs (a combination of desktops, notebooks, and workstations) will total 71.7 million in 2019, a 0.2% YoY growth. A strong pipeline of deals ahead on Windows 7 end of support is expected to drive strong momentum in the commercial market. Ongoing slow demand and high inventory will continue to plague the consumer market, but the commercial strength will be sufficient to offset an overall negative trend.

Western Europe is expected to drive the market in 2019, with CEE picking up in 2020 and continuing to grow through to 2023. MEA will be soft in 2020 but will remain stable thereafter until 2023.

"The Western PC market gained further momentum in 2019Q2, primarily boosted by the Windows 10 transition in the commercial segment," said Malini Paul, research manager, IDC Western European Personal Computing Devices. "Despite CPU shortages constraining the supply chain, efficient planning by OEMs toward order fulfilment supported strong results across both the private and public segments. The outlook for 2019H2 remains strong as demand is expected to strengthen from the SMB space, supported by large and very large businesses as Windows 7 nears end of life."

The impact of component shortages is shifting from desktops to notebooks, particularly through end-of-life CPUs such as Kaby Lake R, which is likely to delay the fulfillment of deals, but macroeconomic factors, component shortages, and major political events such as Brexit are either triggering early pull-ins or accelerating the IT investment and contributing to a brighter picture for the commercial market in the near future.

On the consumer side, high channel inventory will continue to impede the consumer market, with overall demand showing no sign of significant improvement in the coming quarters. Desktops will continue to lose share as consumers increasingly shift demand toward mobility adoption, favoring attractive thin and light devices. Higher inventory, stemming from a continued weakening of overall consumer demand, will negatively impact the sell-in volume for notebooks in 2019Q3. Furthermore, anticipated price drops for certain components have been impacted by trade turbulence in key geographies, and are no longer expected to help drive consumer growth. Nevertheless, the "usual suspects" — premium, thin and light, and gaming devices — will continue to provide growth areas in this struggling market.

In the CEE region the overall PC market for 2019H2 was revised downward due to the expected weak demand in the consumer space.

"For 2019Q3 the PC market in CEE is expected to contract by 7.1% YoY with consumer declining by 13.5% YoY, whereas commercial will remain positive at 3.3% YoY as migration to Win 10 will continue for the next couple of quarters," said Nikolina Jurisic, program manager, IDC CEMA.

The PC forecast in the MEA region was also slightly revised downward, mostly due to the lack of consumer investments in new PCs. In 2019Q3 the PC market is expected to report 3.7% YoY growth, thanks to the expected good recovery in the commercial space at +11.1% YoY, with economic recovery across the region and Turkey returning to some growth having a positive impact on the market, said Jurisic.

Figure 1

EMEA Traditional PC Forecast by Product

2019Q2 Forecast for 2019 to 2023 (Shipments in Thousands)

Product	2019 Shipments*	2019 Share*	2023 Shipments*	2023 Share*	2019-2023 CAGR*
Traditional NB	22,643	32.3%	16,496	25.4%	-7.6%
Ultraslim NB	20,040	28.6%	23,509	36.3%	4.1%
Convertible NB	4,636	6.6%	6,205	9.6%	7.6%
Traditional DT	19,435	27.7%	14,870	22.9%	-6.5%
All in one DT	3,295	4.7%	3,774	5.8%	3.4%
Total	**70,049**	**100.0%**	**64,853**	**100.0%**	**-1.9%**

Source: IDC Worldwide Quarterly Personal Computing Device Tracker, May 22nd, 2019.
*Forecast data

IDC's Quarterly PCD Tracker provides unmatched market coverage and forecasts for the entire device space, covering PCs and tablets, in more than 80 countries — providing fast, essential, and comprehensive market information across the entire personal computing device market.

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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