IDC
Analyze the Future

Despite a Rocky Start to 2019, EMEA Outlook for PC Gaming Is Bright, Says IDC

LONDON, October 2, 2019 — The Europe, Middle East, and Africa (EMEA) market for gaming desktops and notebooks declined in the second quarter of 2019, dipping 1.2% YoY and totaling 1.9 million units, according to International Data Corporation (IDC). Growth of 1.5% YoY is expected for the full year 2019, however — reaching 8.6 million units. By the end of 2023 the market is expected to increase to 11.1 million units with a four-year compound annual growth rate (CAGR) of 6.8%.

IDC identifies gaming PCs as desktops or notebooks that have a premium- or performance-grade GPU. This includes the midrange and high-end offerings from Nvidia and AMD. Professional-grade GPUs such as the Quadro and Radeon Pro are excluded from IDC's gaming PC definition.

In 2Q19, the Western Europe PC gaming market came in flat, posting a negligible decline of 0.1% YoY.

"Relatively strong consumer performances in countries such as France and Italy were able to offset some of the negativity brought about by the ongoing softness in consumer confidence, stemming from political uncertainties such as Brexit," said Liam Hall, senior research analyst, Western Europe, IDC. "Despite a slight slowdown compared to previous years, demand for PC gaming continues to heavily outperform the overall consumer market, and is expected to further pick up in the latter half of the year as more games begin to incorporate and fully utilize innovative technologies such as ray tracing."

The 2Q19 PC gaming market in the CEMA region remains negative for the fourth quarter in a row, declining by 3.5% YoY, despite the MEA PC gaming market posting an increase of 8.4% YoY following a gradual recovery of the PC market in Turkey after significant contractions seen in the past three quarters.

"Weak consumer demand, accompanied by high inventories, the economic slowdown in the Eastern subregion, weak and unpredictable local currencies, political instability in Ukraine and Kazakhstan, and the burden of soaring consumer loans in Russia kept the gaming market in the CEE region in negative territory, with a drop of 9.3% YoY," said Nikolina Jurisic, program manager, CEMA.

We expect to see a revival in the PC gaming market and positive growth rates in all regions across EMEA by the end of 2019 as economic and market pressures stabilize and the gaming community expands. Fiercer market competition is expected in the short term as vendors try to leverage the growing gaming trend and strong demand to offset the overall negative consumer PC market.

"Vendors continue to focus on their gaming portfolio and consciously separate their entry-level and premium devices to reach every customer need," said Jurisic. "Higher-priced premium GPUs are predicted to remain negative in the short term in the CEMA region as price-sensitive buyers will usually choose more attractively priced gaming configurations. However, with economic stabilization and recovery, stronger growth is expected for the premium category throughout 2020."

The stronger growth in premium GPUs will be evident throughout the entire EMEA region. Although performance GPUs will continue to make up the bulk of the market as more casual gamers enter the space, systems with premium GPUs will benefit from attractive ASP declines, as well as the launch of more games that utilize, and in many cases demand, a higher level of specs.

"Nevertheless, in a saturated market where innovation is slowing down and differentiation through hardware is becoming less of a factor, it is important for brand loyalty to be secured in different ways," said Hall. "Expansive ecosystems encompassing peripherals, services, and community development will become increasingly essential to attract gamers and retain share in the gaming market."

Figure 1

EMEA Gaming Tracker Forecast by Product Category, 2019–2023 (Shipments in Thousands)

Product Category	2019 Shipments*	2019 Share*	2023 Shipments*	2023 Share*	2019–2023 CAGR*
Desktop	2,905	33.9%	2,861	25.7%	-0.7%
Notebook	5,654	66.1%	8,255	74.3%	8.6%
Total	**8,559**	**100.0%**	**11,117**	**100.0%**	**6.8%**

Source: IDC Worldwide Quarterly Gaming Tracker, June 14, 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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