Commercial Refresh Ahead of Windows 7 EOS Will Continue to Keep EMEA PC Market Afloat Despite CPU Shortages, Says IDC

LONDON, November 27, 2019 — Shipments of EMEA traditional PCs (a combination of desktops, notebooks, and workstations) will total 72.1 million in 2019, a 0.6% YoY growth, according to International Data Corporation (IDC). While weakness in the consumer segment will continue to constrict overall growth, commercial strength will keep the EMEA PC market afloat.

"The Western European PC market continued its growth momentum in 2019Q3, thanks to the ongoing commercial refresh ahead of Windows 7 EOS," said Malini Paul, research manager, IDC Western European Personal Computing Devices. "Enterprises and the public space were the frontrunners in the Windows 10 refresh to avoid the additional surcharge of Windows 7 support after January 2020. Predictions to 2020H1 remain positive owing to the strong demand from SMBs, but a further intensification of the Intel CPU shortage is expected to inhibit some of the fulfilments."

While commercial growth could be impacted by the availability of CPUs required to meet demand generated by the Windows 10 refresh, sizable growth of 9.8% YoY is expected for overall 2019. Some of the gap between the supply of Intel CPUs and market demand will be filled by alternative Intel SKUs, where possible, and by AMD configurations. Continued enterprise mobility adoption, a strong pipeline of projects across all segments, and the Q4 "use it or lose it" budgets in the public space will all help to strengthen the commercial market.

The outlook for the consumer segment remains negative, but there are signs of recovery as the inventory situation improves and promotional activity picks up ahead of Black Friday and Christmas. The desktop category is expected to continue to lose share as consumers shift to devices that provide mobility, particularly thin and light devices. After quarters of decline, the consumer market for notebooks is expected to post a slight recovery and approach stability in 2019Q4. Consumers continue to show interest in convertibles and ultraslim devices, which will provide pockets of growth in this recovering market. There is still demand for gaming devices in the consumer market, but as the category matures, the double-digit growth rates seen in recent quarters are not expected to be repeated.

The PC market in the CEE region is expected to decline 3.3% YoY in 2019Q4 and 6.4% for the whole 2019, mainly due to weak demand in the consumer space. Since 2018, consumer demand has been declining quarter after quarter, and this is expected to intensify as CPU shortages continue into the rest of this year.

"The CPU supply issues will negatively affect the overall PC market, with a bigger impact on consumer entry-price products," said Nikolina Jurisic, program manager, IDC CEMA. "On the other hand, the commercial space remains relatively strong with expected growth of 2.6% in 2019Q4 and 2.4% for the whole 2019, thanks to the ongoing replacement of W7, as well as EU funding, topped by the expected deals in the public and enterprise sectors."

The MEA region is expected to regain momentum on the back of a very strong decline in 2018H2. The region is expected to report good results in both the consumer and commercial spaces, with 2019Q4 recording YoY growth of 2.9% and 4.7% respectively. Overall 2019, however, will remain negative (at -1.5%) due to the weaker performance in the consumer space.

EMEA Traditional PC Forecast by Product

2019Q3 Forecast for 2019–2023 (Shipments in Thousands)

Product	**2019 Shipments***	**2019 Share***	**2023 Shipments***	**2023 Share***	**2019–2023 CAGR***
Traditional NB	22,629	32.2%	16,007	24.6%	-8.3%
Ultraslim NB	20,652	29.3%	24,131	37.0%	4.0%
Convertible NB	4,424	6.3%	6,176	9.5%	8.7%
Traditional DT	19,464	27.7%	15,257	23.4%	-5.9%
All-in-one DT	3,201	4.5%	3,600	5.5%	3.0%
Total	**70,371**	**100.0%**	**65,171**	**100.0%**	**-1.9%**

Source: IDC Worldwide Quarterly Personal Computing Device Tracker, November 26, 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.

About IDC

IDC is the premier global provider of market intelligence, advisory services, and events for the information technology and telecommunications industries. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. Over 775 IDC analysts in 50 countries provide global, regional, and local expertise on technology and industry opportunities and trends. For more than 40 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. You can learn more about IDC by visiting http://www.idc.com/.

IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. Additional information can be found at www.idc.com.

All product and company names may be trademarks or registered trademarks of their respective holders.

For more information contact:

Malini Paul (mpaul)
mpaul@idc.com
+44 (0) 20 8987 7118
Liam Hall (lhall)
lhall@idc.com
+44 (0) 208 987 7240
Nikolina Jurisic (njurisic)
njurisic@idc.com
+385 1 304 0050
Stefania Lorenz (slorenz)
slorenz@idc.com
+44 (0) 20 8987 7249