COVID-19 Lockdown Will Boost the EMEA PC Market in 2020Q2, but H2 Will be Rocky, says IDC

LONDON, May 28, 2020— According to research by International Data Corporation (IDC), shipments of EMEA traditional PCs (a combination of desktops, notebooks, and workstations) will total 68.3 million in 2020, a 6.3% YoY decline. Immediate demand generated by COVID-19 lockdown will result in a shipment growth in 2020Q2, but the broader ramifications of the global pandemic paint a far more negative picture for the second half of the year, resulting in an overall decline.

"Three factors expected to drive growth of Western European PC market in 2020Q2 are unprecedented surge in PC demand under lockdown, backlog fulfilment from 2020Q1, and early pull-in of orders from 2020H2, all driven by the COVID-19 pandemic," said Malini Paul, research manager for IDC Western European Personal Computing Devices. "However, with anticipated recessions hitting 2020H2, demand is expected to drop, primarily driven by small and medium businesses"."

From a form factor perspective, notebooks are expected to grow by double digits in 2020Q2, boosted by the unprecedented demand to equip employees and students with the means to work and study from home. Despite the increased acceleration towards mobility due to the mass lockdowns, desktop shipments will benefit from sustained demand in certain verticals where data sensitivity is paramount, such as banking and finance, resulting in a softer 2020Q2 decline. Nevertheless, 2020H2 is less optimistic for both product categories as the economic impact of the ongoing lockdowns will heavily inhibit organizational IT spending, particularly among smaller businesses with less financial muscle.

The Western European consumer market is expected to spike in 2020Q2, with an expected increase of 8.7% YoY. This growth will be driven by a double-digit notebook performance as the COVID-19 pandemic continues to drum up demand for mobile form factors, especially within single-device households that will seek new devices to enable multiple users to study/consume media and also to game. Desktop will post a slight decline in the second quarter of 2020 but will also be supported by demand from gaming. 2020H2, however, will be comparatively negative across both product categories as the economic downturn will inevitably have a negative impact on consumer sentiment as well as constrain overall consumer buying power.

The traditional PC market in CEMA is expected to decline by 8.2% YoY in 2020Q2, due to demand constraints in the MEA region. The CEE region, on the contrary, is expected to maintain YoY growth of 3.0%, with both segments expected to be driven by increased demand coming from working from home, stay at home policies, and online schooling. Additionally, vendors report significant backlogs that will be delivered in the second quarter due to manufacturing and logistic issues in February/March. The quarter will also be marked by softening of the lockdown measures across CEE countries in May–June.

"The lockdown triggered a huge leap towards digitalization, resulting in a stronger transition to mobile devices as well as to internet PC purchases via etailers and retail online channels," said Nikolina Jurisic, Senior Program Manager, EMEA.

The MEA region is expected to contract by 17.7% YoY as credit liquidity issues across the region have arisen, and resellers will have less capital to invest. The local currency exchange has weakened against the dollar, making imports, including of personal computing devices, costlier. In Saudi Arabia, VAT will be increased from 5% to 15% on July 1, 2020.

"The fall in oil prices has negatively impacted GDP for many countries in the region, especially in the GCC," said Jurisic. "Saudi, being the biggest oil producer in the region, will suffer one of the sharpest declines YoY.""

Figure 1

EMEA Traditional PC Forecast by Product

2020Q1 Forecast for 2020 to 2024 (Shipments in Thousands)

Product	2020 Shipments*	2020 Share*	2024 Shipments*	2024 Share*	2020–2024 CAGR*
Traditional NB	18,712	28.1%	14,957	22.6%	-5.5%
Ultraslim NB	22,329	33.6%	25,554	38.6%	3.4%
Convertible NB	5,031	7.6%	6,611	10.0%	7.1%
Traditional DT	17,392	26.1%	15,643	23.6%	-2.6%
All-in-one DT	3,065	4.6%	3,483	5.3%	3.3%
Total	**66,530**	**100.0%**	**66,248**	**100.0%**	**-0.1%**

Source: IDC Worldwide Quarterly Personal Computing Device Tracker, May 20, 2020. *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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