Dubai – Mobile phone shipments in the Gulf Cooperation Council (GCC) region totaled 6.0 million units in the first quarter of 2019, up 2.7% on the previous quarter and 1.1% up on the corresponding period of 2018. That’s according to the latest figures announced today by global technology research and consulting firm International Data Corporation (IDC), whose Quarterly Mobile Phone Tracker shows that the market’s growth was spurred by smartphones, with the feature phone segment continuing its decline.

IDC’s research reveals that smartphone shipments to the GCC totaled 4.3 million units in Q1 2019, up 10.4% quarter on quarter (QoQ) and 5.5% year on year (YoY). Conversely, shipments of feature phones declined 13.1% QoQ and 8.7% YoY to total 1.7 million units for the quarter.

"The GCC mobile phone market has faced a number of challenges over the past year, brought about by a combination of unfavorable macroeconomic conditions, changing government policies, and a lengthening of the smartphone refresh cycle," says Akash Balachandran, a senior research analyst at IDC. "However, when viewed against the major declines that characterized much of 2018, the QoQ growth figures for Q1 2019 suggest a degree of stabilization in the market."

"Indeed, the GCC’s two largest markets, Saudi Arabia and the UAE, which together account for around 74% of the region’s mobile phone shipments, both posted respectable QoQ growth of 3.6% and 1.3%, respectively," continues Balachandran. "This was due to strong QoQ growth in the smartphone segment, with shipments increasing 15.1% in Saudi Arabia and 10.8% in the UAE, spurred by the strong sell in of vendors like Samsung and Huawei."

Some of the smaller GCC markets also had mostly positive results in the smartphone segment (although this may be attributed to orders placed earlier in Q4 2018), with Qatar and Oman experiencing respective QoQ increases of 7.9% and 2.0% in smartphone shipments for Q1 2019. However, due to poor Hala February sales, Bahrain and Kuwait saw smartphone shipments for the quarter decline 1.1% and 0.2% QoQ, respectively.

Samsung remains the clear market leader in the GCC smartphone space, with 32.6% unit share in Q1 2019 and QoQ shipment growth of 26.2%, stemming from the release of its new S-series models and its well-received A-series devices. Huawei continued its steep rise, recording QoQ shipment growth of 16.5% to account for 25.9% share of the market’s smartphone shipments. Apple maintained its third position, recording QoQ unit growth of 1.2%; however, its unit share
declined from 21.5% in Q4 2018 to 19.7% in Q1 2019. Meanwhile, Honor sits at number four with 7.7% unit share for Q1 2019.

"Huawei’s strong performance maintains its reign at number two in GCC smartphone market, mirroring its global ranking of smartphone vendors," says Nabila Popal, a senior research manager at IDC. "The Chinese giant’s growth can be attributed to its well-balanced portfolio of models across key price bands and a strong promotional push. While still comparatively small in volume, Honor is another vendor that is growing rapidly in the GCC region, with well-priced offerings in the mid-range segment and strong growth that is currently focused in the Saudi market."

"While IDC does not expect to see any major growth in the GCC mobile phone market in 2019, the performance in Q1 2019 suggests we are now past rock bottom," continues Popal. "IDC expects overall mobile phone shipments to grow 0.1% YoY in 2019, with smartphone shipments increasing 2.6% over the same period. With the introduction of new form factors in 2019 (e.g., foldable phones), the anticipated rollout of 5G networks, a renewed focus on mid to high price bands, and Expo 2020 in the UAE drawing ever closer, it finally seems conceivable that we may see some growth in the long term. As such, IDC is forecasting YoY growth of 4.9% for the overall GCC mobile phone market in 2020, with the smartphone category tipped to expand 5.3% YoY."

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International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,100 analysts worldwide, IDC offers global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. To learn more about IDC, please visit www.idc.com. Follow IDC on Twitter at @IDC.

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