

New IDC Report Explores Impact of COVID-19 Outbreak on Middle East & Africa Smartphone Market

Dubai – As the global COVID-19 outbreak, which was officially declared a pandemic last week by the World Health Organization (WHO), continues to severely impact economies around the world, International Data Corporation (IDC) has revised its forecast for the Middle East and Africa (MEA) smartphone market in 2020 downwards, with shipments now expected to decline marginally year on year.

As per the most recent WHO Situation Report (#56), there are now 167,511 confirmed cases of the virus worldwide, with 6,606 deaths. In response to the pandemic, IDC has developed three possible scenarios – Optimistic, Probabilistic, and Pessimistic – and analyzes their potential impact in a newly published report titled '[Worldwide and MEA Smartphone Markets: Scenario Assessment of COVID-19's Impact](#)'. Under the Probabilistic scenario, IDC's forecast for year-on-year smartphone shipment growth across the MEA region in 2020 has been brought down from +2.4% to -0.4%.

"It is IDC's current opinion that the Probabilistic scenario, as published in the Q4 2019 edition of IDC's Quarterly Mobile Phone Tracker, is still the most likely to occur, with both supply- and demand-side concerns alleviating by the second half of 2020," says Nabila Popal, a senior research manager at IDC. "However, day by day, the Pessimistic scenario is becoming an increasing possibility as stock markets around the world plunge into a tailspin and day-to-day life is disrupted in major countries globally, and closer to home in the GCC and Iran. Even in the most optimistic of recoveries, the massive disruption that COVID-19 has already caused to supply chains and business operations will permanently alter how companies operate once the dust settles."

With the exception of Iran, when looking at other regions globally, the MEA region has comparatively few COVID-19

cases, although uncertainty around the pandemic is now impacting the daily lives of consumers across the region. As such, IDC believes that the major challenge for the MEA smartphone market remains supply chain and production constraints in China, as these are heavily impacting the flow of mobile phone shipments into the region. Demand for smartphones has not yet been heavily interrupted, but unless the spread of the virus slows down, consumer demand will no doubt decline in the short term.

"It is important to keep in mind that this is a very fluid situation with facts and figures changing by the hour," says Ramazan Yavuz, a senior research manager at IDC. "No matter the scenario, COVID-19's ripple effect will impact all industries and economies globally. This humanitarian crisis will likely reshape many markets and industries in 2020. The ultimate impact of the outbreak will be determined by the trajectory of the virus going forward, how fast countries across MEA (and the rest of the world) react to contain the outbreak, how fast Chinese supply chains can adapt to operating at sub-optimal levels for at least the next three months, and how soon they can return to 100% capacity."

For more information, please contact Sheila Manek at

smanek@idc.com or on +971 4 446 3154.

About IDC

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For more information contact:

Sheila Manek
smanek@idc.com
+971 4 446 3154