



## Smartphone Assembly Volumes Drop 6.2% in the Fourth Quarter Hot Season, According to IDC

**FRAMINGHAM, Mass., March 25, 2018** – According to the latest results from the International Data Corporation (IDC) [Worldwide Smartphone Qview](#), due to weakening channel demand, worldwide smartphone ODM/EMS assembly shipment volumes dropped 6.2% year over year during the fourth quarter of 2018 (4Q18) with total shipments of 356.7 million.

"Longer duration of smartphone usage has led to slow demand in the hot season, causing global smartphone production to drop in 4Q18," said [Sean Kao](#), senior research manager with IDC's Worldwide Smartphone ODM Research Group. "Worldwide smartphone ODM/EMS assembly shipment volumes showed a year-over-year decrease of 6.2% and only a slight quarter-over-quarter growth of 0.3%."

With many assembly factories having huge inventory on hand, component suppliers are likely to receive no orders in 1Q19 and face financial distress due to inventory pileup and funding shortage. On the other hand, first-tier ODMs will transfer their resources to different customers such as HMD, OPPO, Samsung, due to adjustment of outsourcing policy by Huawei and Xiaomi.

<b>Worldwide Top 5 Smartphone Assembly Vendors' Shipment Volume Ranking, 2015 - 4Q2018</b>								
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>1Q18</b>	<b>2Q18</b>	<b>3Q18</b>	<b>4Q18</b>	<b>2018</b>
1	Samsung	Samsung	Samsung	Samsung	Samsung	Samsung	Foxconn	Samsung
2	Foxconn	Foxconn	Foxconn	Foxconn	Foxconn	Foxconn	Samsung	Foxconn
3	Pegatron	OPPO	OPPO	Pegatron	OPPO	OPPO	Pegatron	OPPO
4	LG	Pegatron	VIVO	OPPO	VIVO	VIVO	Flex	VIVO
5	Huaqin	VIVO	Pegatron	VIVO	Pegatron	Pegatron	VIVO	Pegatron
Source: IDC Worldwide ODM & Display Industry Research Group, March 2019								

**Notes:** The ranking on this list is based on complete knock-down (CKD) assembly, which includes in-house assembly, but excludes design without assembly.

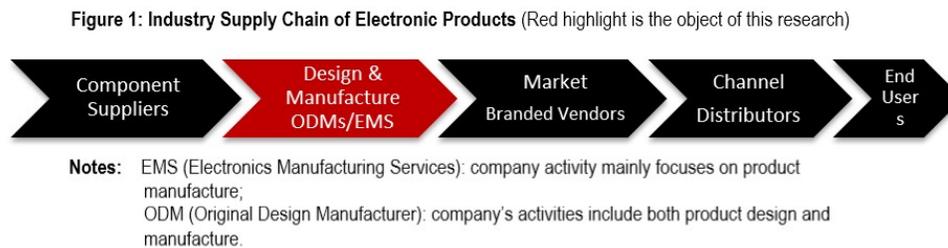
Looking ahead, IDC expects smartphone ODM/EMS assembly volumes to gradually recover after slowing in 1Q19. Beyond 2019, IDC expects lengthening life cycles, caused by a lack of

new features, better quality of low-tier products, expectation of slow economic growth, and deferred purchases in anticipation of 5G products will continue to have a negative impact on developed markets. In addition, high market and industrial concentration rates will weaken low-tier vendors' ability to adjust component inventory. Smartphone component suppliers may therefore face drastic changes in demand from manufacturers.

## IDC Worldwide ODM & Display Industry Research

The object of IDC's Worldwide ODM & Display Research is the compilation of manufacturers who provide **ODM and EMS services** to their clients – branded vendors. The ODM/EMS manufacturers are in the upstream of the industry supply chain, as the red mark in Figure 1. ODM/EMS manufacturers include Foxconn, Huaqin, Compal, Quanta, Compal, Wistron, and others. Their clients are branded or white-box vendors, such as Apple, Amazon, Lenovo, Huawei, Oppo, and others.

Figure 1



## About IDC

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 wholly-owned subsidiary of International Data Group (IDG), the world's leading media, data and marketing services company that activates and engages the most influential technology buyers. To learn more about IDC, please visit [www.idc.com](http://www.idc.com). Follow IDC on Twitter at [@IDC](https://twitter.com/IDC) and [LinkedIn](https://www.linkedin.com/company/idc).

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

## **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](http://www.idc.com).

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

### **For more information contact:**

Michael Shirer  
press@idc.com  
508-935-4200  
Annabelle Hsu  
ahsu@idc.com  
+886 2 87580818  
Sean Kao  
skao@idc.com  
+886 2 87580816