



IDC Forecasts Worldwide Smartphone Market Will Face Another Challenging Year in 2019 with a Return to Growth on the Horizon

FRAMINGHAM, Mass. May 30, 2019 – According to the International Data Corporation ([IDC](#)) [Worldwide Quarterly Mobile Phone Tracker](#), global smartphone shipments will face another challenging year in 2019 with volumes forecast to decline 1.9% from 2018. This will mark the third consecutive year of market contraction driven by highly saturated markets in developed countries and slower churn in some developing economies. IDC expects shipments in the first half of 2019 (1H19) will be down 5.5% compared to 1H18, but the second half of the year should see shipment growth of 1.4% driven by 5G acceleration, a growing selection of lower-priced premium handsets, and on-going uplift from markets like India.

While developing markets still have a lot of upsides, some market momentum has been lost as the transition from feature phone to smartphone has started to slow. In all markets, pricing remains a critical decision factor when purchasing a new handset, and this is creating new opportunities for mid-range price points. However, the most significant and most uncertain market factor is how the U.S.-China trade dispute will play out over the year.

"Even without the growing trade tensions between the U.S. and China, the smartphone market has some important challenges that need to be resolved before we see growth again," said [Ryan Reith](#), program vice president with IDC's [Worldwide Mobile Device Trackers](#). "However, the light at the end of the tunnel is getting brighter, and growth seems within reach. The overall growth expected in the second half of this year is inclusive of a 5% decline in China during this time. China should be close to flat growth in 1H20 and return to positive territory in 2H20 as heavy 5G marketing inclusive of device subsidies is imminent."

While design innovation will remain the industry's center of attention, 5G momentum is also in full swing globally and device OEMs, component suppliers, telcos, and services companies are actively investing in establishing an early lead. IDC expects 5G smartphones to experience a slow start in 2019, capturing just 0.5% of total shipments. But the ramp up will be quick across all markets, driving 5G to account for 26.3% of worldwide shipments in 2023.

"Amidst all these design and 5G developments, the challenge remains that consumer demands around smartphone functionality continue to expand while their tolerance for higher-priced products continues to drop," said [Sangeetika Srivastava](#), senior research analyst with IDC's [Worldwide Mobile Device Trackers](#). "With 5G on the horizon as well as some interesting new

form factors, it will be critical for vendors to continue to bring affordable products to market to reinvigorate the market's growth."

Platform Highlights

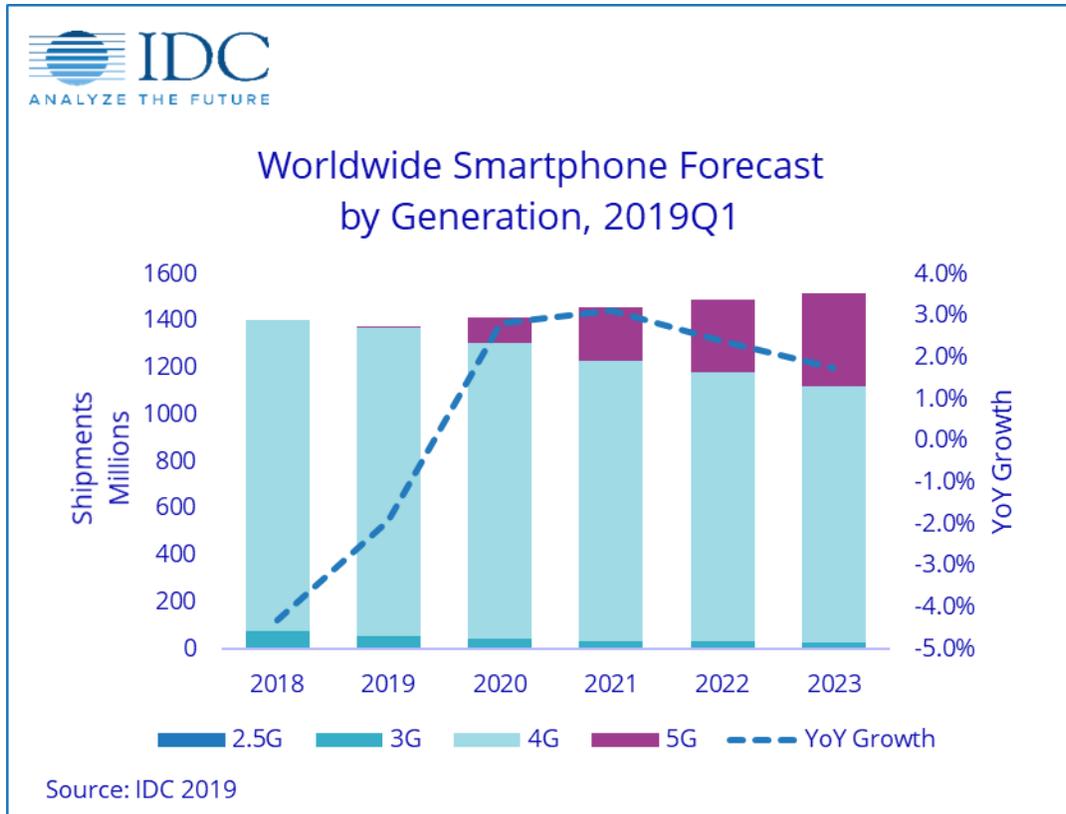
Android:# As expected, Android's smartphone share will increase slightly to 86.7% in 2019 from 85.1% in 2018 mostly due to launches of several new models, including a handful of 5G devices announced or coming to market in 2H19. Volumes are expected to grow at a five-year compound annual growth rate (CAGR) of 2.1% with shipments of 1.32 billion in 2023. Android average selling prices (ASPs) are estimated to grow by 5.8% in 2019 to US\$269, up from US\$254 in 2018.

iOS:# 2019 is expected to be another challenging year for new iPhone shipments with volumes expected to drop to 183.5 million, down 12.1% year over year. Apple is not likely to deliver a 5G handset in 2019, but given that many telcos and markets are still trying to figure out their 5G strategy, it's unlikely this will impact its market share. It is worth noting that Apple is beginning to sell more of its official refurbished iPhones, which creates a sizeable hardware revenue stream and, more importantly, maintain or expand its iOS installed base.

Worldwide Smartphone Platform Shipments, Market Share, and 5-Year CAGR, 2019 and 2023 (shipments in millions)							
Platform	2019 Shipment Volume*	2019 Market Share*	2019 Year-over-Year Growth*	2023 Shipment Volume*	2023 Market Share*	2023 Year-over-Year Growth*	2018-2023 CAGR*
Android	1,191.9	86.7%	-0.1%	1,324.1	87.1%	1.9%	2.1%
iOS	183.5	13.3%	-12.1%	195.9	12.9%	1.1%	-1.3%
Others	0.1	0.0%	-89.8%	0.0	0.0%	4.8%	-43.6%
Total	1,375.5	100.0%	-1.9%	1,520.0	100.0%	1.8%	1.6%
Source: IDC Worldwide Quarterly Mobile Phone Tracker, May 29,2019							

* **Table Note:** All figures are forecast projections.

Figure 1



Due to the many uncertainties surrounding the U.S. Executive Order signed on May 15th and subsequent developments; IDC has not adjusted its current forecast to reflect an unclear future. IDC will continue to closely monitor the situation and will make forecast adjustments as appropriate. To learn more about IDC's perspective on this topic, please see the report, *U.S. Bans Threaten Huawei's Growth and Partners Share Risk; IT Buyers Face Tough Decisions Until There Is More Clarity* (Doc #lcUS45104119).

About IDC Trackers

IDC Tracker products provide accurate and timely market size, vendor share, and forecasts for hundreds of technology markets from more than 100 countries around the globe. Using proprietary tools and research processes, IDC's Trackers are updated on a semiannual, quarterly, and monthly basis. Tracker results are delivered to clients in user-friendly excel deliverables and on-line query tools.

For more information about IDC's Worldwide Quarterly Mobile Phone Tracker, please contact Kathy Nagamine at 650-350-6423 or knagamine@idc.com.

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

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