

## Worldwide Smartphone Market Rebound on Standby as COVID-19 Outbreak Limits Short-Term Global Outlook, According to IDC

FRAMINGHAM, Mass. February 27, 2020 – The global smartphone market recovery will be impacted in 2020 as uncertainties around COVID-19 increased over the last month. According to the latest forecast from the International Data Corporation (IDC) [Worldwide Quarterly Mobile Phone Tracker](#), the worldwide smartphone market is expected to decline 2.3% in 2020 with shipment volume just over 1.3 billion. The COVID-19 outbreak is expected to stress the short-term scenario with shipments declining 10.6% year over year in the first half of 2020. Global smartphone shipments are expected to return to growth in 2021 driven by accelerated 5G efforts.

IDC has considered optimistic, probable, and pessimistic forecast scenarios driven by the uncertainties around COVID-19. Our current forecasts are aligned with the probable scenario, which ascribes a multi-quarter recovery for manufacturing and logistics given a more gradual return of Chinese workers to factories amidst persisting transportation challenges. China's demand shock extends several quarters but is mitigated by the end of the year with the aid of government-backed stimuli and subsidies. Demand in surrounding regions will also be briefly suppressed. Global smartphone shipments show a more U-shaped recovery from the second half of the year. However, actual phone shipments could show a different overall shape given the seasonal nature of shipments.

"COVID-19 became yet another reason to extend the current trend of smartphone market contraction, dampening growth in the first half of the year. While China, the largest smartphone market, will take the biggest hit, other major geographies will feel the hit from supply chain disruptions. Component shortages, factory shutdowns, quarantine mandates, logistics, and travel restrictions will create hindrances for smartphone

vendors to produce handsets and roll out new devices. The overall scenario is expected to stabilize from the third quarter of the year as the COVID-19 situation hopefully improves and 5G plans pick up the pace globally," said [Sangeetika Srivastava](#), senior research analyst with IDC's [Worldwide Mobile Device Trackers](#).

With February and March as the time when manufacturers unveil key flagship products and conduct final pre-production tests and debug their products slated to be unveiled in the first half of the year, changes made to product plans for the first half of the year will likely lead to adjustment of product plans for the medium term and even the long term.

"For the epicenter, China, we forecast the domestic market to drop by nearly 40% year over year for first quarter and even with a potential March recovery it will still be difficult to reach last year's levels," said [Will Wong](#), research manager with IDC's Asia/Pacific Client Devices Group. "Buyers will purchase from online channels, which will account for a significantly increased share of phones sold in the first half of 2020 and may represent a permanent shift in buying behaviors."

The epidemic outbreak will undermine the Chinese economy as a whole and the many SMEs

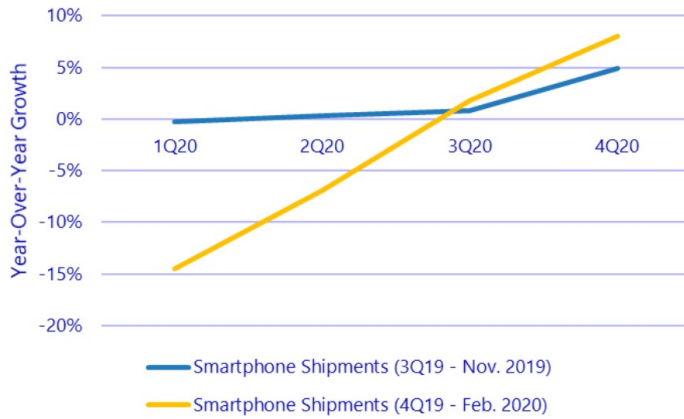
will likely bear the brunt, leading to tightened wallets of consumers. At the same time, the SMEs in the phone industry, especially retail channel partners, will see the biggest effect and phone vendors that can effectively help their retail channel and other partners recover and reconsolidate after the end of the epidemic will secure more opportunities in the long term.

Worldwide Topline Smartphone Forecast Changes, Year-Over-Year Growth %, 2020-2021 (Annual)				
Forecast Version	2020 Shipments (M)	2020 Year-Over-Year Growth	2021 Shipments (M)	2021 Year-Over-Year Growth
4Q19 - Feb. 2020	1,339.8	2.3%	1,424.2	6.3%
3Q19 - Nov. 2019	1,403.6	1.5%	1,437.0	0.4%
Source: IDC Worldwide Quarterly Mobile Phone Tracker, February 27, 2020				

Worldwide Topline Smartphone Forecast Changes, Year-Over-Year Growth %, 2020 (Quarterly)				
Forecast Version	1Q20	2Q20	3Q20	4Q20
4Q19 - Feb. 2020	-14.5%	-6.9%	1.8%	8.0%
3Q19 - Nov.	-0.3%	0.3%	0.8%	4.9%



### Worldwide Smartphone Forecasts, 2019Q4 vs 2019Q3



Source: IDC 2020

#### 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](mailto:knagamine@idc.com).

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