APAC smart mobile device market hits new peak

– Over 10 million converged devices ship in Q1 2007

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For immediate release

- APAC shipments of all smart mobile devices in Q1 2007 rose 40% year-on-year to 10.7 million
- 10.1 million of these were smart phones, over 400,000 were wireless handhelds
- Handheld shipments continued to fall, down 39% year-on-year
- Nokia retained its overall market lead, with 46% of all shipments
- Three Japanese vendors – Sharp, Fujitsu and Mitsubishi – made the top five, along with Motorola

Highlights from the Canalys Q1 2007 APAC smart mobile device research

The latest APAC smart mobile device market estimates from Canalys reveal the continuing rise of converged devices (smart phones and wireless handhelds) in the region, with more than 10 million units shipping in a quarter for the first time. Canalys research suggests that 10.1 million smart phones shipped in Q1 2007, along with 435,000 wireless handhelds and less than 150,000 handhelds. APAC remains the largest region for smart mobile devices, making up 46% of the global market, compared to 37% for EMEA and 17% for the Americas. Canalys puts total worldwide shipments at 23.2 million units in Q1 2007, up 39% from the 16.7 million shipped in the same quarter one year ago.

APAC total smart mobile device market
Market shares Q1 2007, Q1 2006

Vendor	Q1 2007 shipments	% share	Q1 2006 shipments	% share	Growth Q1'07/Q1'06
Total	**10,678,540**	**100.0%**	**7,626,160**	**100.0%**	**40.0%**
Nokia	4,937,360	46.2%	3,489,880	45.8%	41.5%
Sharp	1,426,370	13.4%	951,410	12.5%	49.9%
Fujitsu	1,075,440	10.1%	725,320	9.5%	48.3%
Motorola	1,003,790	9.4%	664,540	8.7%	51.1%
Others	2,235,580	20.9%	1,795,010	23.5%	24.5%

Source: Canalys estimates, © canalys.com ltd. 2006-2007
Smart mobile device market: handhelds, wireless handhelds, smart phones

Year-on-year growth in APAC was slightly above the global average, at 40%, a shift down from the 84% seen in Q4 2006 despite volumes hitting the new peak. Handhelds continued their downward slide, with shipments falling year-on-year by 39%. In contrast, converged device shipments rose by 43%.

Nokia retained its lead in APAC, shipping an estimated 4.9 million smart phones in the quarter. Success was driven largely by its Symbian S60-based Nseries consumer-oriented devices. Sharp leapt into second place from fourth last quarter, with impressive year-on-year growth of 50%. Fujitsu followed in third with similar growth, ahead of Motorola and Mitsubishi, the latter doing enough to oust Sony Ericsson from the fifth position it held last quarter. The volumes for several of these vendors come from Symbian smart phones shipping with NTT DoCoMo in Japan. This market has its own distinctive characteristics in what is a highly fragmented region.

Motorola's success was still driven by its Linux smart phones, primarily in mainland China, with the majority of shipments still being the Ming model. The demand for products around the Chinese New Year holidays helped to boost growth of smart mobile devices in the Greater China region by nearly 50% year-on-year. Over the next few years, high growth in the APAC region is expected to come from several under-penetrated markets, including India, Indonesia, Thailand and Vietnam. Canalys estimates that India is already the third largest market in the region after Japan and Greater China, accounting for 6% of APAC smart mobile device shipments in Q1 2007.

Sony Ericsson dropped out of the top five into sixth place this quarter, despite 239% unit growth year-on-year. This still represented a 25% sequential decline, contributed to by a large fall in UIQ device volumes resulting from channels still being satiated from the Q4 2006 influx and a lack of focus on smart phones as attention was diverted to its wider portfolio, particularly the Walkman branded models.

"Compared to the Americas and EMEA, the APAC region still has relatively low smart mobile device volume coming from models positioned for professional, rather than consumer, use," said Canalys senior analyst Rachel Lashford. Canalys estimates that such devices accounted for 17%, or 1.8 million, of all shipments in the region in Q1 2007, compared to 30% in EMEA and 89% in the Americas.

"Vendors just outside the top six, such as RIM and Dopod, are seeing growing success with their professional-focused devices. Both have been boosted by expanding portfolios of new devices and increasing regional presence. RIM continues to foster new operator partnerships around the region, and Dopod has increased its country presence over the past six months in South East Asia and India," Lashford added. Dopod's subsidiaries outside China are expected to be acquired soon by HTC, as the Taiwanese vendor continues along the path of establishing itself as a global brand.

About the Smart Mobile Device Analysis services

The shipment estimates discussed in this release come from the Canalys Smart Mobile Device Analysis APAC and Worldwide services. Canalys' smart mobile device product segmentation and definitions are used by vendors the world over to provide a consistent view of the total market for handhelds, wireless handhelds and smart phones. Clients receive quarterly market updates, regular reports, trends presentations and forecasts, and direct access to Canalys analysts. Canalys offers services looking at the smart mobile device markets in APAC, CEMA, EMEA and worldwide. It also has services focusing specifically on the rapidly growing markets for mobile navigation, mobile e-mail and mobile Linux and analysis of mobile consumer preferences, attitudes and behaviour. More information is available from the Canalys web site.

About Canalys

Canalys specialises in delivering high quality market data, analysis and advice to the world's leading technology vendors. It is recognised as a key provider of continuous advisory services and confidential custom projects for marketing managers and strategists within blue-chip IT, telecoms, navigation and consumer electronics companies. It has unrivalled expertise in European routes to market for all kinds of high technology products and services in the consumer, SMB and large enterprise segments, and provides worldwide market data and trends analysis.

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