

Apple on track to become leading global PC vendor

➤ Global PC shipments to reach 415 million for 2011

Palo Alto, Shanghai, Singapore and Reading (UK) - for immediate release

Canalys today announced that it expects Apple to overtake HP to become the leading global PC vendor before the second half of 2012. Pads, and particularly the iPad, have radically changed the dynamics of the PC industry over the last year, already propelling Apple into second place in the worldwide PC market in Q3 2011. Canalys estimates full-year 2011 global PC shipments to reach 415 million, up 15% year-on-year, thanks predominantly to increasing pad sales.

Total pad shipments are expected to reach 59 million units by the end of 2011, with Q4 volumes predicted to exceed 22 million. While the iPad will dominate in Q4, the recently announced Kindle Fire and Nook Tablet are also anticipated to impact the US market.

“Apple has seen its PC market share expand from 9% to 15% in just four quarters, though iPad shipments in its core market - the United States - are likely to come under pressure in Q4 due to the launch of the Fire and Nook at extremely competitive price points,” said Canalys Analyst Tim Coulling. “HP and Apple will fight for top position in Q4, but Apple may have to wait for the release of iPad 3 before it passes HP.”

Vendors overall though are struggling to compete profitably with Apple, as many toil to produce comparable devices at attractive prices. The release of Android 4.0 (ICS) should, however, bolster tier 1 manufacturers, as combining smart phone and pad operating systems will enable developers to adapt existing applications to run on pads. Conversely, the release’s timing may harm vendors looking to capitalize on strong holiday season sales. Much of the IT channel’s stock now runs on older versions of Android 3.1, and many vendors are not forthcoming with upgrade timescales, which will deter informed consumers.

Notebook sales also helped fuel market growth in 2011, with total shipments anticipated to hit 211 million, a 10% year-on-year increase. Canalys expects Ultrabooks, bringing much needed innovation to the category, to drive notebook sales over the next five years. With their differentiated appearance, Ultrabooks should spur some consumers to upgrade their existing notebooks.

“For Ultrabooks to become widespread, prices have to drop considerably,” said Canalys Research Analyst Michael Kauh. “The least expensive models are currently around \$800, a real barrier to mass consumer uptake. As more vendors embrace the Ultrabook design, component costs should drop and mainstream consumer prices will be achieved.”

On a regional level, Canalys forecasts North America PC shipments to reach 103 million for the whole of 2011, with 32 million units expected in Q4. Overall volumes in 2011 are anticipated to grow 18% year-on-year because of the ongoing popularity of pads. Excluding pads, the market is predicted to grow at less than 1% for the year. The United States’ ongoing economic problems have resulted in to prices falling to their lowest levels since 2009.

Canalys anticipates the EMEA PC market - excluding pads - to contract in 2011 at an annual rate of 6%, although volumes will peak for the year at 30 million in Q4. Western Europe is largely responsible for the regional decline because of investor concerns over sovereign debt issues in the Euro Zone. As with the US market, ongoing economic issues will continue to have a negative impact on consumer confidence levels, affecting shipments in Q4 and beyond.

Canalys expects high growth in Latin America and Asia Pacific in Q4, with total volumes for 2011 predicted to reach 40 million and 153 million. Overall, the BRIC countries will account for 28% of worldwide PC shipments in 2011.¹

The Canalys PC market forecast for 2012 highlights challenging conditions during the first half of 2012, as flooding in Thailand continues to severely impact the global hard disk market. Thailand is responsible for around 40-45% of the world's hard disk production, and the business disruption has already led to price rises. Hard drive shortages will further reduce inventories and shipments of desktops, netbooks and notebooks in the coming quarters. Canalys believes that side-effects will include a boost in solid-state drive (SSD) production and lower prices that will benefit pad and Ultrabook vendors.

About Canalys

Canalys delivers smart market insights to IT, channel and service provider professionals around the world. Our customer-driven analysis and consulting services enable businesses to make informed decisions and generate sales. We stake our reputation on the quality of our data, our innovative use of technology and our high level of customer service.

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¹ BRIC countries include Brazil, Russia, India and China.