

Media alert: PC market at 2011 levels as tablets fall for the sixth quarter

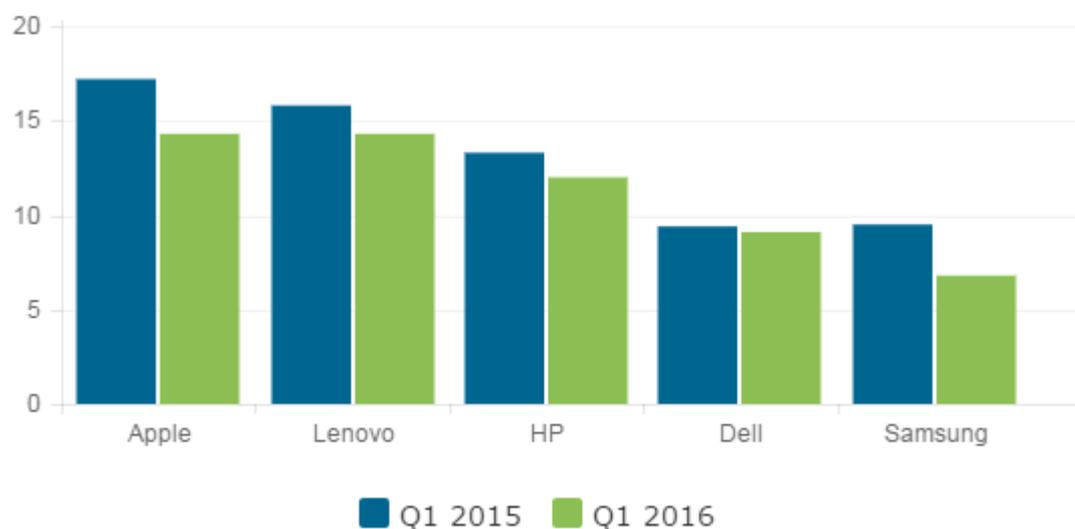
Palo Alto, Shanghai, Singapore and Reading (UK) - Monday, 9 May 2016

Worldwide PC shipments (desktops, notebooks, two-in-ones and tablets) totaled 101 million units in Q1 2016, as total volumes dipped by 13% year-on-year to their lowest point since Q2 2011. Apple continued to lead the market into the first quarter of 2016 with shipments of just over 14 million units, despite falling 17%. Lenovo shipped some 25,000 units less than Apple, as its decline moved into double digits on the back of weakening sales in Greater China.

Apart from two-in-ones, which grew just over 13%, shipments were weak across all categories, as vendors struggle with declines in global PC demand. Tablets continue to be the worst affected category, with shipments falling around 15% to just under 39 million units.



PCs including tablets, Worldwide, units (millions) by vendor, Q1 2015 and Q1 2016



- All PC categories in Asia Pacific continue to experience weakness, affected by improving quality and falling prices in the smart phone market. In low-income markets, notebooks and tablets are no longer must-have products and multiple device ownership is becoming less common. PC shipments in Asia Pacific and Greater China dipped 14% as the Chinese market saw its third consecutive quarter of double-digit declines.
- Shipments in EMEA declined 15%, as notebooks were 18% lower than the previous year. Nevertheless, since the inflationary effect that Windows with Bing had on shipments has ceased in Q2 2015, declines in the notebook market will reduce next quarter. While annual comparisons in Western Europe are likely to improve next quarter, markets in Middle East and Africa will continue to struggle due to a challenging macro environment.
- North America was the best performing region in the quarter, with PC shipments falling around 5%. The tablet market in the US was aided by shipments of large screen detachable tablets such as the iPad Pro and the Surface Pro 4. Shipments of two-in-ones and detachable tablets are expected to continue to do well in the US and will grow in high income markets. New form factors will trigger an increase in PC ASPs, benefitting the two-in-one and tablet categories at the expense of notebooks.

'The global PC market had a bad start to 2016 and it is difficult to see any bright spots for vendors in the coming quarters. The tablet boom has faded in the distance and the market is fully mature. Global shipments declines are expected to continue unless vendors bring transformational innovation to the market. Apple and Microsoft are propping up shipments in established markets with their detachables, but price points make them less affordable in low-income countries. Although other vendors are coming to market with cheaper alternatives, they are unlikely to have a big impact on volumes in the short term. The number of people looking to buy their first PC is at an all-time low and 2016 is likely to bring yet more turmoil to global PC vendors.' Commented Tim Coulling, Canalys Senior Analyst.

If you are interested in further information, please contact us:

- **Canalys Americas:** +1 650 681 4488
Chris Jones: chris_jones@canalys.com +1 650 450 1513
Daniel Matte: daniel_matte@canalys.com +1 650 384 9733
- **Canalys APAC:** +65 6671 9399 (Singapore) / +86 21 2225 2888 (China)
Rushabh Doshi: rushabh_doshi@canalys.com +65 9820 0071 (Singapore)
Nicole Peng: nicole_peng@canalys.com +86 150 2186 8330 (China)
- **Canalys EMEA:** +44 118 984 0520
Tim Coulling: tim_coulling@canalys.com +44 7900 991 852
Rachel Lashford: rachel_lashford@canalys.com +44 7775 503 940

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Alternatively, you can e-mail press@canalys.com or call +1 650 681 4488 (Palo Alto, California, USA), +65 6671 9399 (Singapore), +86 21 2225 2888 (Shanghai, China) or +44 118 984 0520 (Reading, UK).

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Americas: Suite 316, 855 El Camino Real, Palo Alto, CA 94301, US | tel: +1 650 681 4488

APAC: Room F/G, 7/F, Jinjiang Xiangyang Tower, 993 Nanjing West Road, Jing An District, Shanghai, 200041, China | tel: +86 21 2225 2888

APAC: 133 Cecil Street, Keck Seng Tower, #13-02/02A, Singapore 069535 | tel: +65 6671 9399

EMEA: Diddenham Court, Lambwood Hill, Grazeley, Reading RG7 1JQ, UK | tel: +44 118 984 0520

e-mail: inquiry@canalys.com | web: www.canalys.com