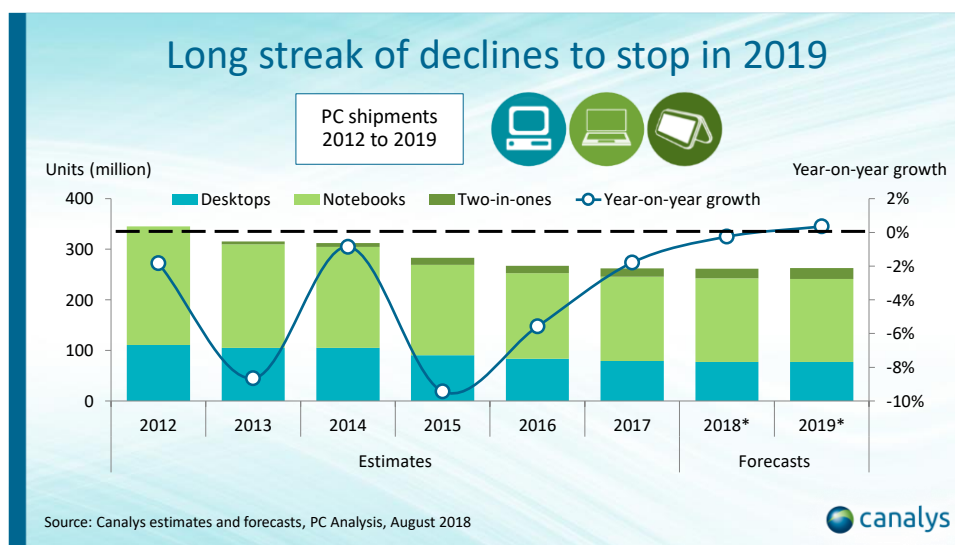


Global PC market to halt decline in 2019 as APAC leads with 1% growth

Palo Alto, Shanghai, Singapore and Reading (UK) – Thursday, 20 September 2018

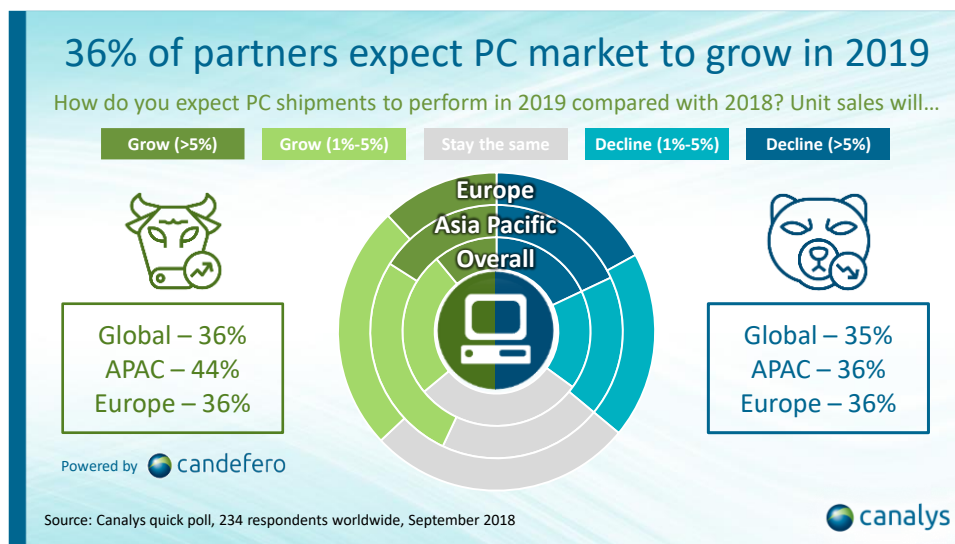
The worldwide PC market will enjoy a slight recovery in 2019, with shipments of desktops, notebooks and two-in-ones set for 0.3% growth after seven years of decline. APAC will be a key driver as the industry turns to the region in the face of falling demand in Europe and China. PC shipments to Asia Pacific will overtake those to Western Europe by 2021.

“Windows 10 refresh will continue to be the main driver of commercial demand for PCs in 2019,” said Canalys Chief Analyst Alastair Edwards. “This will be buoyed by strong economic performance and business spend in the United States, the largest PC market in the world, as well as a continued global push to upgrade on the back of heightened IT security concerns. Furthermore, 2019 is likely to bring about an easing of component supply constraints that have recently plagued the industry. Intel and its partners have admitted that tight supply of 14 nanometer processors will delay PC shipments this year, while DRAM shortages will start to ease toward the end of 2018, with the effects to be felt next year. Pent-up demand from this year will boost growth in 2019 as these issues are resolved.”

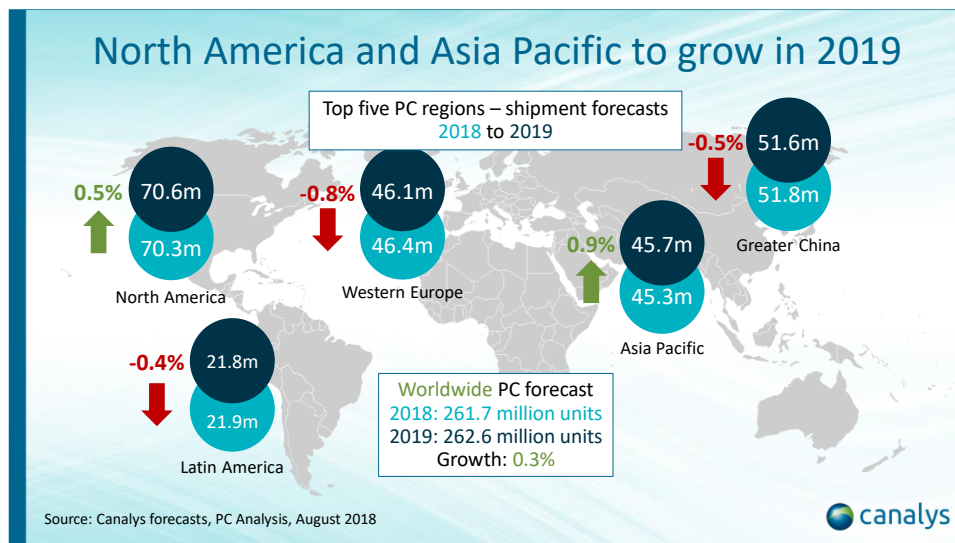


The channel has benefited substantially this year from Windows 10 refresh in the commercial space, both in terms of product sales but also through lucrative professional services opportunities

around Windows 10 migration. This will continue into the first half of 2019. The reality is, however, that this will not last forever. After impressive commercial growth this year, maintaining the same level will get harder, particularly toward the end of 2019. The most successful channel partners will focus on generating higher-value revenue streams around PCs, not just in consulting, but in managed desktop and subscription services for applications and security, leading to more profitable business and stronger customer relationships. A Canalys survey of channel partners highlights particular optimism in Asia, with 44% of APAC-based respondents expecting to see PC shipment growth in 2019, against 36% of EMEA-based respondents.



“Asia Pacific will go from strength to strength and gain importance for the global PC vendors in both the consumer and commercial segments,” said Canalys Analyst Ishan Dutt. “The region’s developed markets, such as Australia, New Zealand, Japan and South Korea, offer growth in emerging segments, such as gaming, Chromebooks and always-connected PCs, while the emerging economies will remain hotspots for PC growth. The booming service industries in the emerging markets of India, Indonesia, Philippines and Thailand will continue to deliver growth for PCs. The start-up culture in these markets has brought SMBs to the fore, with PC vendors moving to offer them OPEX-based models that help control costs. Due to the sheer number of such businesses, and their multi-faceted computing requirements, which range from PCs to servers to cloud, the importance of a ‘jack-of-all-trades’ channel partner cannot be understated.”



PC quarterly estimates and forecast data are taken from Canalys' PC Analysis service.

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