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Press Release

Gartner Says Worldwide PC Market Grew 15 Per Cent in Third Quarter of 2008 on Strength of Mini-Notebook Shipments; Industry Feeling the Impact of the Economic Crunch

Acer Moves Past Hewlett-Packard for Top Position in EMEA Market

STAMFORD, Conn., 14 October, 2008 — Worldwide PC shipments reached 80.6 million units in the third quarter of 2008, a 15 per cent increase from the third quarter last year, according to preliminary results by Gartner, Inc.

“The mini-notebook segment experienced strong growth in the global PC, led by robust growth in the Europe, Middle East and Africa (EMEA) region,” said Mika Kitagawa, principal analyst for Gartner's Client Computing Markets group. “In the North America market, the economic crunch created more interest in the sub $500 segment. Because the mini-notebook is still a new segment, it is too early to determine if the emerging segment created new market opportunities, or if it cannibalised lower priced systems.”

“At the same time, global PC market finally felt the impact from global economic downturn. The US professional market experienced the biggest hit from the economic crunch. The US home market saw definite softness in PC sales after a few quarters of strong growth,” Ms Kitagawa said. “The Asia/Pacific PC market was impacted by a slowdown in China. PC growth in Latin America was slow relative to historical levels, but it was still in line with the forecast.”

Hewlett-Packard (HP) maintained the No. 1 position in worldwide PC shipments in the third quarter of 2008 (see Table 1). The company was impacted by a slower entry into the mini-notebook market, losing the top position in EMEA. Dell’s recent expansion efforts did not equate to increased market share in the third quarter. Dell primarily struggled with the professional market, especially in the EMEA and US markets.

Table 1
Preliminary Worldwide PC Vendor Unit Shipment Estimates for 3Q08 (Thousands of Units)

Company	3Q08 Shipments	3Q08 Market Share (%)	3Q07 Shipments	3Q07 Market Share (%)	3Q08-3Q07 Growth (%)
Hewlett-Packard	14,784.8	18.4	12,848.7	18.3	15.1
Dell	10,995.1	13.6	9,853.6	14.1	11.6
Acer	10,038.1	12.5	6,812.4	9.7	47.3
Lenovo	5,893.3	7.3	5,449.8	7.8	8.1
Toshiba	3,678.0	4.6	2,922.8	4.2	25.8
Others	35,175.4	43.7	32,162.6	45.9	9.4
Total	**80,564.7**	**100.0**	**70,049.9**	**100.0**	**15.0**

Note: Data includes desk-based PCs, mobile PCs and X86 servers.
Note: Acer data includes Gateway’s consumer shipments and Packard Bell shipments.
Source: Gartner (October 2008)

Two vendors that had a strong focus and acted quickly in the mini-notebook segment are ASUS and Acer. Both of these vendors experienced robust growth. Although most major vendors now have their own mini-notebook offerings, Ms Kitagawa said it will be a challenge for these vendors to match or beat the market expansion that ASUS and Acer have attained so far.

PC shipments in the US market grew 4.6 per cent in the third quarter of 2008 from the third quarter of 2007. Early indications suggest that the professional mobile PC market had slower than expected growth while desk-based PC shipments were in line with previous expectations. Mini-notebook shipments accounted for approximately 5 per cent of US mobile PC shipments and added approximately 1-2 percentage points of year-over-year growth.

“Despite the back to school sales season, the US home market did not see its typical seasonal spike during the quarter,” Ms Kitagawa said. “The continued decline of the average selling price (ASP) of PCs did not stimulate sales as much at the vendors had hoped.”

Dell maintained the top position in the US market (see Table 2), but its growth slowed compared to its last several quarters. Dell was impacted by weakness in the professional market, as well as slowdown in the home segment.

Apple maintained the third position. Apple is expected to see steady growth in the education and home segments. Acer’s PC shipment growth was accelerated by mini-notebook shipments in the quarter. These systems have been well received in the US professional and home segments.

Table 2
Preliminary United States PC Vendor Unit Shipment Estimates for 3Q08 (Thousands of Units)

Company	3Q08 Shipments	3Q08 Market Share (%)	3Q07 Shipments	3Q07 Market Share (%)	3Q08-3Q07 Growth (%)
Dell	5,122.9	29.5	4,833.1	29.1	6.0
Hewlett-Packard	4,452.7	25.7	4,264.1	25.7	4.4
Apple	1,644.9	9.5	1,270.7	7.7	29.4
Acer	1,542.5	8.9	1,387.0	8.4	11.2
Toshiba	979.0	5.6	945.4	5.7	3.6
Others	3,608.3	20.8	3,882.3	23.4	-7.1
Total	**17,350.4**	**100.0**	**16,582.5**	**100.0**	**4.6**

Note: Data includes desk-based PCs, mobile PCs and X86 servers.
Note: Acer data includes Gateway’s consumer shipments and Packard Bell shipments.
Source: Gartner (October 2008)

PC shipments in EMEA totalled 28.9 million units in the third quarter of 2008, a 25.9 per cent increase from the third quarter last year (see Table 3).

Table 3
Preliminary EMEA PC Vendor Unit Shipment Estimates for 3Q08 (Thousands of Units)

Company	3Q08 Shipments	3Q08 Market Share (%)	3Q07 Shipments	3Q07 Market Share (%)	3Q08-3Q07 Growth (%)
Acer	5,941	20.6	3,692	16.1	60.9
Hewlett-Packard	5,392	18.7	4,453	19.4	21.1
Dell Inc.	2,696	9.3	2,380	10.4	13.3
ASUS	2,176	7.5	778	3.4	179.8
Toshiba	1,590	5.5	1,136	5.0	40.0
Others	11,065	38.4	10,477	45.7	5.7
Total	**28,861**	**100.0**	**22,915**	**100.0**	**25.9**

Note: Data Includes Deskbound, Mobile and X32/64 Servers.
Note: Acer data includes Gateway’s consumer shipments and Packard Bell shipments.
Source: Gartner, October 2008

“The performance in the region remained strong with no real softening of demand apart from the large account segment that started to be affected by the global economic uncertainty,” said Ranjit Atwal, principal analyst for Gartner’s Client Computing Markets group in EMEA. “In addition, the PC market in EMEA was largely dictated by vendors that shipped mini-notebooks and those that did not, resulting in significant movements in the top five vendor rankings.”

For the first time ever since HP merged with Compaq, it lost its No 1 position in the EMEA PC market to the detriment of Acer. Acer bolstered its shipment results with significant volumes of mini-notebooks carried into the Telco retail channel across Western Europe. “HP delayed its introduction of mini-notebook into the market potentially fearing cannibalisation of its existing notebook markets but did not anticipate that Acer would be able to ramp up its channels so quickly,” Mr Atwal said.

Gartner estimates that sales of mini-notebooks represented 10 per cent of the mobile EMEA PC shipments in the third quarter of 2008 and contributed a 7 per cent increase to the overall PC market results, leaving the rest of the PC market to grow at around 18 per cent.

“After making its debut in the EMEA PC market last quarter, ASUS did extremely well in the third quarter of 2008 as a result of very strong sales with its mini-notebook range that helped the company move ahead of Toshiba. “Toshiba has lost ground this quarter but is planning to introduce a new range of mini-notebooks in the fourth quarter of 2008 that should help the company compete strongly in the fourth quarter,” added Mr Atwal.

“Although the EMEA PC market continued to grow 20 per cent year to date, PC vendors continued to lower the average selling price (ASP), intensified by the lower priced mini-notebooks. These ASP declines will persist in the fourth quarter of 2008 as the aftermath of worldwide concerns with the global economic crisis starts to take effect across all segments of the PC market,” Mr Atwal said.

PC shipments in Asia/Pacific grew 13.3 per cent in the third quarter, with PC units totalling 21.6 million. Mobile PCs continue to be the driver of consumption while consumer desk-based PC demand faces challenges in the region. Mobile PC shipments increased 43.6 per cent compared to the third quarter last year, while desk-based PCs grew 0.8 per cent year-over-year.

Latin America PC shipments reached 7.3 million units in the third quarter, a 13.2 per cent increase from the third quarter last year. Fuelling the notion that mobile PCs are becoming the first PC for a growing number of homes and the preferred platform for some businesses, mobile PC shipments accounted for approximately 28 per cent of overall shipments, compared to 21 per cent in the third quarter of 2007.

In Japan, PC shipments totalled 3.7million units, a 9.2per cent increase from the third quarter last year. The consumer market performed better than expected. The professional sector is expected to post low single-digit growth, but early results show the consumer segment could show double-digit increases.

These results are preliminary. Final statistics will be available soon to clients of Gartner's PC Quarterly Statistics Worldwide by Region programme. This programme offers a comprehensive and timely picture of the worldwide PC market, allowing product planning, distribution, marketing and sales organizations to keep abreast of key issues and their future implications around the globe. Additional research can be found on Gartner's Computing Hardware section on Gartner's website at http://www.gartner.com/it/products/research/asset_129157_2395.jsp.

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