Gartner

Press Release

PC Shipments in Western Europe Grew 14 Per Cent in First Quarter of 2008

Egham, UK, 15 May, 2008 — PC shipments in Western Europe totalled 15.2 million units in the first quarter of 2008, an increase of 14.1 per cent compared with the same period in 2007. The shift in exchange rates between the dollar and the Euro allowed the vendors to reduce average selling prices much faster than expected.

"The decline in pricing helped outweigh any negative influences driven by economic concerns in the first quarter of 2008," said Ranjit Atwal, principal analyst at Gartner, based in the UK. "Whilst the PC market is not immune to an economic downturn continued strong mobile penetration helps to sustain robust growth."

UK: Growth in Mobile PCs Reached 40 Per Cent in the First Quarter of 2008

PC shipments in the UK totalled 3.1 million units in the first quarter of 2008, an increase of 11.2 per cent compared with the same period in 2007.

The UK market was driven by strong mobile PC sales, which accounted for more than 60 per cent of the total PC shipments and nearly 70 per cent of consumer PCs. Mobile PCs saw volumes increasing nearly 40 per cent compared with the first quarter of 2007. The desktop market declined in both consumer and professional markets by more than 15 per cent year-on-year.

Dell and Hewlett-Packard continued to dominate the UK market with a combined share of more than 45 per cent. Dell has finally entered the retail channel in Dixons and Tesco's. As a result, Dell saw a 200 per cent increase in consumer mobile PC shipments and need to continue that momentum throughout 2008. Similarly, Hewlett-Packard managed to drive both consumer and professional mobile PC shipments growth, achieving nearly 70 per cent overall growth.

For the first time, Acer PC sales included Packard-Bell shipments and saw a year-on-year decline with the merger still in its infancy. The combined vendors lost retail shelf space as they worked on their brand strategy.

"The United Kingdom PC market performed above expectations in the first quarter of 2008. The impact of an economic slowdown and the credit crunch has not affected the PC market yet," said Ranjit Atwal. "However, there is no doubt that falling sales prices made PCs more attractive than ever."

Table 1
UK PC Vendor Unit Shipment Estimates for 1Q08 (Thousands of Units)

Company	1Q08 Shipments	1Q08 Market Share (%)	1Q07 Shipments	1Q07 Market Share (%)	1Q08-1Q07 Growth (%)
Dell Inc.	779	24.6	653	22.9	19.4
Hewlett-Packard	715	22.6	562	19.7	27.3
Acer	360	11.4	433	15.2	-16.8
Toshiba	254	8.0	201	7.1	26.3
Fujitsu/Fujitsu Siemens	168	5.3	193	6.7	-12.9
Others	895	28.2	812	28.4	10.3
Total	**3,172**	**100.00**	**2,854**	**100.00**	**11.2**

Note: Data includes desk-based PCs and mobile PCs
Source: Gartner (May 2008)

France: ASUS Made Its Debut in the Top Five

PC shipments in France totalled 2.4 million units in the first quarter of 2008, an increase of 7.9 per cent compared with the same period in 2007.

The French market performed above expectations in the first quarter of 2008 despite weaker results in the consumer market. The market was driven once more by mobile PC demand which accounted for 56 per cent of the total PC shipments, with volumes increasing 26.8 per cent year-on-year. For many vendors demand in the desktop market was weaker and declined 9 per cent year-on-year.

The professional market grew 13 per cent, while the consumer market exhibited a 3.5 per cent increase. The consumer segment saw strong growth in mobile PCs with 23 per cent however the consumer desktops market declined 20 per cent compared with the first quarter of 2007.

“For the first time, Acer PC sales included Packard-Bell shipments and saw Acer gain 4.7 percentage points of market share and significantly reduced the gap with Hewlett-Packard despite decline in Packard-Bell PC shipments in the first quarter of 2008,” said Isabelle Durand, principal analyst at Gartner, based in France. Acer remained the leader in the mobile PC segment with 57 per cent growth year-on-year.

Hewlett Packard maintained its leadership despite slight year-on-year decline on desktops. Dell entered the retail market with the Inspiron notebook range which bolstered its performance this quarter.

For the first time ASUS made its debut in the top five. ASUS achieved strong sales with its eee PC and as a result it exhibited the highest growth rate in mobile PCs.

“With the average selling price further declining in the mobile PCs market we expect to see increased price aggressiveness in the forthcoming quarters,” Ms Durand concluded.

Table 2
France PC Vendor Unit Shipment Estimates for 1Q08 (Thousands of Units)

Company	1Q08 Shipments	1Q87 Market Share (%)	1Q07 Shipments	1Q07 Market Share (%)	1Q08-1Q07 Growth (%)
Hewlett Packard	568	23.7	514	23.1	10.7
Acer	555	23.1	409	18.4	35.6
Dell Inc.	310	12.9	274	12.3	13.2
Toshiba	130	5.4	127	5.7	2.7
ASUS	115	4.8	55	2.5	107.1
Others	722	30.1	845	38.0	-14.6
Total	**2.400**	**100.0**	**2.224**	**100.0**	**7.9**

Note: Data includes desk-based PCs and mobile PCs
Source: Gartner (May 2008)

Germany: Cautious Consumer Demand but Healthy Business Investment

PC shipments in Germany totalled 2.9 million units in the first quarter of 2008, an increase of 17.4 per cent compared with the same period in 2007.

The market was driven by strong mobile PC sales, which accounted for 57 per cent of the total PC shipments, with volumes increasing 40 per cent compared to the first quarter of 2007. The desktop market declined 3.3 per cent year-on-year.

FSC managed to regain some of the shares it had lost over the last few quarters and grew a strong 19 per cent year-on-year. Despite a robust growth in Germany, the company is lagging behind the growth rates shown by the top ten vendors in Europe, Middle East and Africa region.

Hewlett-Packard once again achieved the strongest growth for mobile PCs which are sold through the retail channel. Acer showed the fastest growth rate of the top five with nearly 39 per cent year-on-year growth but had to yield its first position in the mobile PC segment to FSC.

“Dell has entered the retail space in several other European countries but whether the company can successfully divert from its build-to-order strategy in Germany remains to be seen,” said Meike Escherich, principal analyst at Gartner, based in the UK. Medion ran several Vista promotions in the first quarter of 2007 but didn’t manage to reach the same desktop volumes this year despite exhibiting a 22 per cent growth in the mobile PC segment with extremely low margins.

“The German PC market performed above expectations in the first quarter of 2008. The market was driven once more by strong mobile PC sales. The growth was bolstered by shipments of eee PCs into the German retail market,” Ms Escherich said. “Interestingly, for a third quarter in a row, volumes were equally driven by the professional and consumer segments, which could be seen as an indicator for a final pick-up in the professional market where growth had come to a virtual stand-still through 2006 and the first half of 2007. Falling sales prices seemed to counteract any possible worries about a global economic downturn.”

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

Company	1Q08 Shipments	1Q08 Market Share (%)	1Q07 Shipments	1Q07 Market Share (%)	1Q08-1Q07 Growth (%)
Fujitsu/Fujitsu Siemens	436	15.1	366	14.9	18.9
Hewlett-Packard	375	13.0	312	12.7	20.3
Acer	326	11.3	235	9.6	38.5
Dell Inc.	260	9.0	230	9.4	13.2
Medion	256	8.9	224	9.1	14.3
Others	1,229	42.6	1,088	44.3	12.9
Total	**2,881**	**100.0**	**2,455**	**100.0**	**17.4**

Note: Data includes desk-based PCs and mobile PCs
Source: Gartner (May 2008)

About Gartner

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