

HP regains top spot in client PC market

➤ Overall client PC market up 21%, but the coming quarters present challenges

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HP retook the lead in the worldwide client PC market in Q1 2012, according to the latest figures published by analyst firm Canalys. Apple had ousted the long-time PC market leader in Q4 2011, thanks largely to record iPad shipments (in excess of 15 million units). In Q1, however, Apple shipped 11.8 million iPads, bringing its total client PC number for the quarter to 15.8 million. HP's shipments were higher by around 40,000 units, according to Canalys estimates; just enough to give it the lead. Lenovo took third place, with impressive year-on-year growth of 50%. Acer and Dell took the remaining top-five places, but with shipments down on the same quarter a year ago. The total client PC market grew by 21% to 107 million units. Importantly, while the pad category exhibited the highest growth - more than 200% year on year - notebook and desktop PC shipments were up too, rising 11% and 8% respectively. Netbook shipments, however, were down 34% on the year-ago quarter - the sixth such fall in succession.

'Most of the leading PC vendors have done a reasonable job of offsetting the declines in their netbook shipments over the past year with increased pad business,' said Canalys Analyst Tim Coulling. 'Samsung and Lenovo are two that stand out in terms of substantially increasing overall volume, though Asus has performed well too. The challenge is breaking out into the really big volumes to challenge the leaders - Apple and Amazon. So far, only Samsung has shown it can routinely ship more than a million pads a quarter.'

Globally, Canalys reports that pads represented 19% of all client PC shipments in Q1, up substantially from 7% a year ago, but down on the 22% recorded in Q4 2011. Netbooks have fallen to 5% from a high of 13% two years ago. Notebooks represented just under half of the overall market by units.

Looking at overall client PC shipments by region, Canalys estimates that North America grew 31% year-on-year, compared to 19% for both EMEA (Europe, Middle East and Africa) and Asia-Pacific. Latin American growth lagged at only 10%. But Canalys points out that the growth in North America was being boosted by pads much more than in the other regions.

'If you look at the US, pads are approaching 40% of all client PC shipments,' said Canalys VP and Principal Analyst, Chris Jones. 'The rest of the market here was down slightly in Q1. The pad proposition for US consumers is very strong - thanks to the wider choice in content and apps - and the impact on the other categories is more severe.'

So despite some positive signs in Q1, PC vendors face ongoing uncertainty in the coming quarters. Turbulence in the economy means the consumer market in many countries remains a cause for concern. Q2 is expected to be soft, with Taiwanese notebook ODMs having reported a decline in shipments in April. This will improve as the channel sells out older products and vendors refresh their portfolios with models based on Intel's Ivy Bridge processors. The big transition will take place in the second half of the year with Microsoft's launch of Windows 8. This will lead many consumers to delay new PC purchases into Q4. But by then thin and light laptops will be approaching mainstream price points and a new wave of pads, based on

Microsoft's new OS, will be hitting the market. Positive reception to Windows 8, on all PC form factors, is critical. Assuming this is achieved, PC vendors will be able to look forward to 2013 with renewed optimism.

About Canalys

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