

## Media alert: Smart phone shipments to grow 5% in 2016 despite Apple posting first annual decline

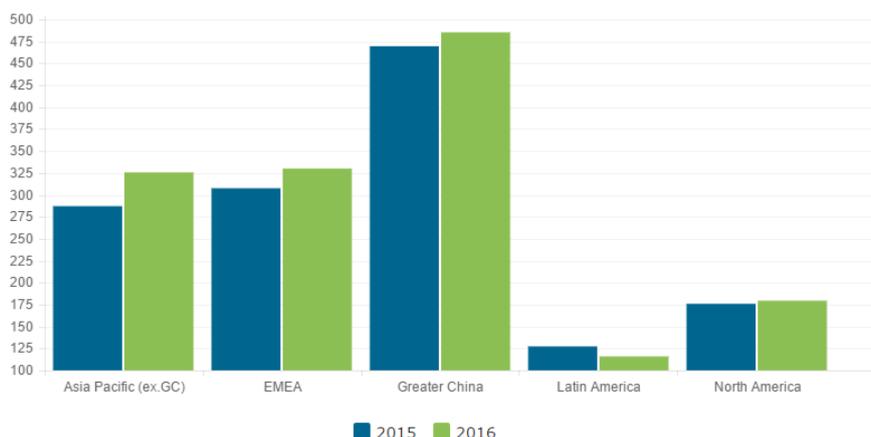
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Canalys' latest market forecast shows worldwide smart phone shipments will reach just over 1.4 billion units in 2016 - a 5% year-on-year increase.

Shipments in Asia Pacific (excluding Greater China) are expected to grow by 13%. 'The smart phone markets in India and the Philippines are performing well in 2016, with annual growth expected to reach 21% and 26% respectively,' said Ishan Dutt, Research Analyst. 'Smart phone penetration in these markets remains low, meaning there is a big opportunity for vendors. Growth in established markets is harder to find but, despite shipment declines in the first two quarters, we expect Western Europe and North America to return to growth in the second half of the year. Both regions will end 2016 with single-digit percentage shipment increases, helped by the launch of a new iPhone.'



Smart phones, Worldwide, units (millions) by region, 2016 and 2015



Despite the new iPhone, Canalys expects Apple's worldwide shipments will decline in 2016, as it continues to struggle in China. 'The launch of the iPhone 6 saw Apple's shipments in Greater China skyrocket, but the company has struggled to maintain this momentum,' said Research Analyst Jessie Ding. 'The iPhone 6s had a lackluster reception in comparison and the iPhone SE is unlikely to make a big difference to Apple's fortunes in the region this year. Local players have

improved product quality and offer much better value for money. Huawei, Oppo and Vivo offer products with better specifications at significantly lower price points. The iPhones lack features such as waterproofing and wireless charging. Apple needs to catch up with the competition if it wants to compete.'

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## About Canalys

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