

# India overtakes US to become second largest smartphone market

Sales top 40 million units for first time; Xiaomi likely to overtake Samsung soon

Palo Alto, Shanghai, Singapore and Reading (UK) – Thursday, 26 October 2017



India is world's second largest smartphone market as @Samsung and @Xiaomi lead growth - via @Canalys

**After a wobble in Q2 2017, India's smartphone market recovered quickly, with shipments growing 23% year on year in Q3 2017 to reach just over 40 million units. India has now overtaken the United States to become the world's second largest smartphone market after China. Samsung and Xiaomi, which shipped 9.4**

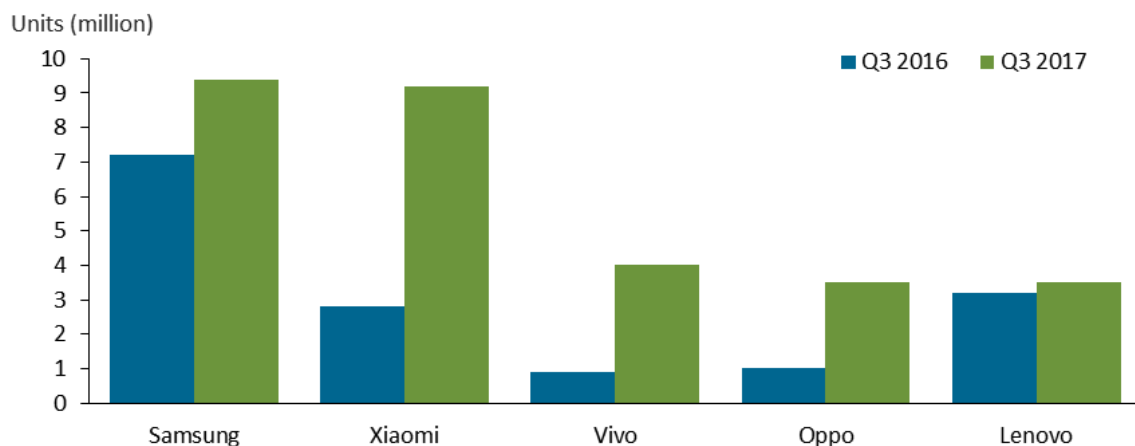
**million and 9.2 million units respectively, accounted for almost half of the total market as the top five vendors continued to post strong growth in Q3 2017.**

"This growth comes as a relief to the smartphone industry. Doubts about India's market potential are clearly dispelled by this result," said Canalys Research Analyst Ishan Dutt. "There are close to 100 mobile device brands sold in India, with more vendors arriving every quarter. In addition, India has one of the most complex channel landscapes, but with low barriers to entry. Growth will continue. Low smartphone penetration and the explosion of LTE are the main drivers."

Despite posting excellent results, the market continues to concentrate, with the top five vendors (Samsung, Xiaomi, Vivo, Oppo and Lenovo) now accounting for 75% of total shipments in India. Samsung shipped 9.4 million smartphones, almost 30% more than in Q3 last year. Second-placed Xiaomi increased shipments by over 290% to 9.2 million units. "Xiaomi's growth is a clear example of how a successful online brand can effectively enter the offline market while maintaining low overheads," said Canalys Analyst Rushabh Doshi. "But Xiaomi focuses on the low end. It struggles in the mid-range (devices priced between INR15,000 and INR20,000 [US\$230 and US\$310]), where Samsung, Oppo and Vivo are particularly strong. Nevertheless, we predict Xiaomi's continued go-to-market innovations will allow it to overtake Samsung within a couple of quarters."

## Xiaomi closes in on Samsung as India grows 23%

India smartphone estimates by vendor, Q3 2016 and Q3 2017



Source: Canalys estimates, Smart Phone Analysis, October 2017



Apple began local production in India earlier this year, and its iPhone shipments more than doubled to 900,000 units in Q3 2017 compared with Q3 2016, impressive growth in a market that is skewed toward low-end smartphones.

After a rocky start to GST, the market has shown strong signs of stability in Q3, with most of the channel adapting to the new rules on time. “The Indian economy is proving very strong in the second half of 2017, now that the twin shocks of GST and demonetization are behind it,” added Doshi. “Reduced indirect taxes have added new equity to the market, with distributors and retailers able to serve areas beyond their home regions as inter-state operations become easier. As the infrastructure matures, consolidation in distribution is inevitable.”

Smartphone quarterly estimate and forecast data is taken from Canalys’ Smartphone Analysis service.

For more information, please contact:

**Canalys EMEA: +44 118 984 0520**

Ben Stanton: [ben\\_stanton@canalys.com](mailto:ben_stanton@canalys.com) +44 118 984 0525

**Canalys APAC (Shanghai): +86 21 2225 2888**

Hattie He: [hattie\\_he@canalys.com](mailto:hattie_he@canalys.com) +86 21 2225 2814

Mo Jia: [mo\\_jia@canalys.com](mailto:mo_jia@canalys.com) +86 21 2225 2812

**Canalys APAC (Singapore): +65 6671 9399**

Rushabh Doshi: [rushabh\\_doshi@canalys.com](mailto:rushabh_doshi@canalys.com) +65 6671 9387

Ishan Dutt: [ishan\\_dutt@canalys.com](mailto:ishan_dutt@canalys.com) +65 6671 9396

**Canalys Americas: +1 650 681 4488**

Vincent Thielke: [vincent\\_thielke@canalys.com](mailto:vincent_thielke@canalys.com) +1 650 656 9016

## About Canalys

Canalys is an independent analyst company that strives to guide clients on the future of the technology industry and to think beyond the business models of the past. We deliver smart market insights to IT, channel and service provider professionals around the world. We stake our reputation on the quality of our data, our innovative use of technology and our high level of customer service.

## Receiving updates

To receive media alerts directly, or for more information about our events, services or custom research and consulting capabilities, please complete the [contact form](#) on our web site.

Alternatively, you can email [press@canalys.com](mailto:press@canalys.com) or call +1 650 681 4488 (Palo Alto, California, USA), +65 6671 9399 (Singapore), +86 21 2225 2888 (Shanghai, China) or +44 118 984 0520 (Reading, UK).

---

Copyright © Canalys 2017. All rights reserved.

Americas: Suite 317, 855 El Camino Real, Palo Alto, CA 94301, US | tel: +1 650 681 4488

APAC: Room 310, Block A, No 98 Yanping Road, Jingan District, Shanghai 200042, China | tel: +86 21 2225 2888

APAC: 133 Cecil Street, Keck Seng Tower, #13-02/02A, Singapore 069535 | tel: +65 6671 9399

EMEA: Diddenham Court, Lambwood Hill, Grazeley, Reading RG7 1JQ, UK | tel: +44 118 984 0520

email: [inquiry@canalys.com](mailto:inquiry@canalys.com) | web: [www.canalys.com](http://www.canalys.com)