

Xiaomi posts strongest growth in three years, up 116% in Q1 2018, before IPO filing

iPhone shipments stay flat in China due to balanced portfolio

Palo Alto, Shanghai, Singapore and Reading (UK) – Thursday, 3 May 2018

The worldwide smartphone market continued to weaken in the first quarter of 2018, with shipments down 3.4% on the same period in 2017 at 337 million units. A 21% year-on-year decline in the world's largest market, China, has dragged the global market into the red, with growth in markets such as India and Africa unable to offset the fall. Samsung retook



Xiaomi posts strongest growth in three years, up 116% in Q1 2018, as the global smartphone market shrinks over 3% to 337 million units #Xiaomi #Apple #Huawei #Oppo #smartphone- via @ Canalys <https://bit.ly/2rhREsd>

first place in the overall smartphone league table, displacing Apple, which led in Q4 2017, while Chinese vendors Huawei, Xiaomi and Oppo maintained their respective third, fourth and fifth positions.

“There have been no signs of recovery since the market started to decline in Q4 last

year,” said Rushabh Doshi, Research Manager at Canalys. “The high level of pessimism about China’s smartphone market and its impact beyond China is concerning. In highly saturated markets, such as the US, China and Western Europe, a lack of innovation has led to a lack of consumer demand, and growth will be hard to find in 2018. On the other hand, in high-growth markets, such as India and Brazil, vendors are struggling with low margins. It is not surprising to see top vendors growing share at the expense of smaller vendors as the market slows and survival gets tougher.”

Global smartphone shipments fall by more than 3%

Worldwide smartphone shipments Q1 2018 Top five vendors	Q1 2017	Q1 2018	Year-on-year growth
Samsung	22.9%	23.6%	-0.6%
Apple	14.6%	15.5%	2.9%
Huawei	9.9%	11.7%	13.8%
Xiaomi	3.7%	8.4%	116%
Oppo	7.7%	7.6%	-5.1%
Others	41.2%	33.2%	-22.1%
All vendors	349 million	337 million	-3.4%

Source: Canalys estimates, Smartphone Analysis, April 2018



Xiaomi provided the only bright spot among the top 10 smartphone vendors, recording triple-digit percentage growth this quarter. “Xiaomi has done a great job recovering its position in its home market,” said Canalys Senior Director Nicole Peng. “While China has been a growth engine and profit driver for Xiaomi’s rising service revenue, overseas market expansion has helped it boost market share, both of which will be critical to the success of its IPO.” Of Xiaomi’s 28.1 million shipments in Q1, close to 57% shipped outside of China. “It is important to note that Xiaomi’s rapid expansion will bring with it substantial overheads, which will make sustaining its original lightweight cost structure increasingly difficult.”

Xiaomi posts strongest growth in three years



Source: Canalys estimates, Smartphone Analysis, May 2018



Apple grew iPhone shipments by 3% year on year by maintaining its shipment strength in its key markets, the US and China. US shipments were up 8% year on year at 16.7 million, while China was relatively flat at 9.3 million, down just 0.6% annually. “Apple’s portfolio strategy continues to bear fruit,” said Peng. “While the iPhone X performed below industry expectations (see [Canalys media alert](#)), the company’s revamped product portfolio has

helped as it has largely reduced the risk of overreliance on one or two devices to generate sales. More importantly, in a market as complex as China, where international brands are finding it tough to combat native vendors in terms of volume, Apple has been beating local players by growing its ASP and building out other revenue streams from the Mac, App Store and accessories, effectively capitalizing on its deep-pocketed installed base.”

For more information, please contact:

Canalys APAC (Shanghai): +86 21 2225 2888

Nicole Peng: nicole_peng@canalys.com +86 21 2225 2815

Mo Jia: mo_jia@canalys.com +86 21 2225 2812

Canalys APAC (Singapore): +65 6671 9399

TuanAnh Nguyen: tuananh_nguyen@canalys.com +65 6671 9384

Rushabh Doshi: rushabh_doshi@canalys.com +65 6671 9387

Canalys Americas: +1 650 681 4488

Vincent Thielke: vincent_thielke@canalys.com +1 650 656 9016

Canalys EMEA: +44 118 984 0520

Ben Stanton: ben_stanton@canalys.com +44 118 984 0525

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Alternatively, you can email 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).

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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 | web: www.canalys.com