

Huawei breaks record for biggest ever share in China with 27% of smartphone market in Q2

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Smartphone shipments in China bounced back to above 100 million in Q2 2018, providing much needed relief to vendors and channel partners after a difficult Q1, when shipments fell by more







[#Huawei breaks record for biggest ever share in #China with 27% of #smartphone market in Q2 #Oppo #Vivo #Xiaomi #Apple - via @Canalys https://ctt.ac/KcGWM+](#)

than 20% to 91 million units. Huawei (including Honor) grew its market share to a record 27%, the biggest share for any smartphone vendor in China since Q2 2011. Huawei also broke the record for the greatest number of shipments into the channel by any vendor, at 28.5 million units. Oppo and Vivo came second and third respectively, with the latter growing by 30% to

close the gap on Oppo. Xiaomi's and Apple's market shares fell, but they held onto their respective fourth and fifth places. The smaller vendors are finding it tough to compete, as the top five vendors now account for 90% of shipments, against 73% a year ago.

China smartphone market shares Q2 2018

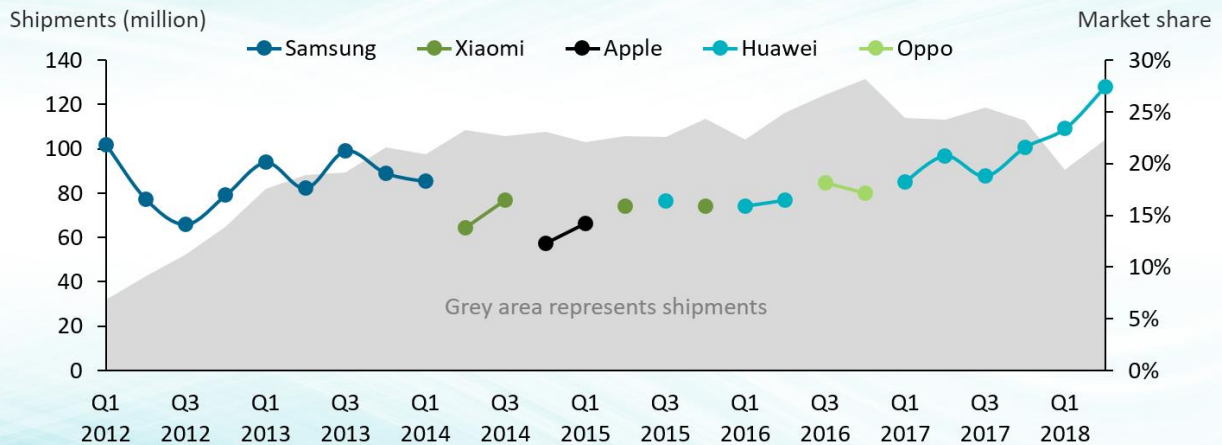
Rank	Vendor	Q2 2017 share	Q2 2018 share	Growth
#1	 HUAWEI	21%	27%	22%
#2	 oppo	19%	21%	3%
#3	 vivo	14%	20%	30%
#4	 Xiaomi	13%	14%	0%
Others		33%	18%	-51%
Total smartphones		113 million	104 million	-8%

Source: Canalys estimates, Smartphone Analysis, July 2018

Huawei's Honor sub-brand accounted for 55% of its shipments in Q2 2018, up from 33% a year ago. "Honor is now the largest smartphone brand in the Huawei Consumer Business Group," said Canalys Analyst Mo Jia. "Enjoying a high level of autonomy within Huawei, Honor has been pushing to make a name for itself in the market. It has expanded successfully into the US\$500+ segment with its latest flagship models and continues to erode the market share of its direct competitors in the low-cost segment, such as Xiaomi. But Honor's independent operation and increasing strength will pose a dilemma for the other Huawei sub-brands, Mate, P and Nova, which risk losing resources to Honor in the common goal to meet Huawei's global target of 200 million smartphone sold in 2018." Huawei's self-branded smartphones accounted for 45% of total sell-in to China, with about half of those being Nova models.

Huawei market share hits record high of 27%

China smartphone estimates by vendor, Q1 2012 to Q2 2018



Source: Canalys estimates, Smartphone Analysis, July 2018



The Chinese market has shown signs of improvement as the rate of decline eased from 22% in Q1 2018 to 8% this quarter. But the situation is not likely to improve soon. “The market is expected to decline in the following quarters as well, mainly owing to harsh declines in shipments from smaller vendors that are unable to sustain volumes and are therefore finding it difficult to justify further investment in the market,” added Jia. “At the same time, the larger vendors face a high degree of uncertainty over the current trade situation with the US, which is adversely affecting the Chinese Yuan. Increasing prices and maintaining market share in the face of a stronger US dollar might be easy for a brand such as Huawei, but will be difficult for Xiaomi, Oppo and Vivo.”

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

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