

Gartner Says Latin American PC Shipments Decreased 2 Percent in the First Quarter of 2003

STAMFORD, CONN., May 2, 2003 — PC shipments in Latin America totaled 1.7 million units in the first quarter of 2003, a 2 percent decline from the same period last year, according to Gartner, Inc. (NYSE: IT and ITB).

Despite an unexpected 43.3 percent decline in PC shipments, Hewlett-Packard continued to lead the overall market in the first quarter of 2003 (see Table 1). Dell was the only top-tier vendor to experience positive growth, which was spurred on by its growing presence in the market, especially in Mexico where Dell grew 46 percent.

"Although HP's shipments were affected by Dell's growing position in Mexico, there were other elements at work. Government purchases were down from one year ago, and HP suffered a 62 percent decline in the home market due to a growth in consumer preference toward white-boxes," said Luis Anavitarte, vice president and research director for Gartner's Latin America group. "IBM's shipments declined 24 percent because of the lower government demand in Mexico in the quarter and Dell's positioning in some key corporate accounts. On a much lower scale, white-box manufacturers affected IBM's shipments in the small low-end business segment."

Table 1
Latin America PC Vendor Unit Shipment Estimates for 1Q03 (Units)

Company	1Q03 Shipments	1Q03 Market Share (%)	1Q02 Shipments	1Q02 Market Share (%)	Growth (%)
Hewlett-Packard	187,018	11.0	329,606	19.1	-43.3
Dell	144,950	8.5	112,678	6.5	28.6
IBM	65,189	3.8	85,585	4.9	-23.8
Alaska	56,949	3.4	59,992	3.5	-5.1
Metron	28,400	1.7	43,248	2.5	-34.3
Others	1,212,307	71.5	1,097,527	63.5	10.5
Total	1,694,813	100.0	1,728,636	100.0	-2.0

Note: Table includes desk-based PCs and notebooks.

Source: Gartner Dataquest (May 2003)

Notebook sales had a flat performance, as shipments totaled 132,580 units in the first quarter of 2003. Gartner analysts said many in the region are buying their notebooks abroad because the price points continue to be lower.

"In some markets such as Brazil, a notebook on average can cost 35 percent more than the same machine in Miami," Anavitarte said. "As notebook prices go down in the region, a shift to local notebook purchases will take place. It's beginning to happen, but at a slow pace."

Brazil was the No. 1 country for PC shipments in the region with 48 percent of the market. The Andean region, excluding Venezuela, grew 8 percent. While this is becoming white box territory, top-tier vendors are successfully developing niches in some verticals and the government market. Argentina experienced a 97 percent rebound in the PC market.

Mexico experienced the strongest decline in shipments, as units declined 21 percent. Mexico's poor performance was because of fewer government purchases, a slower market because of local and international economic reasons and a more saturated PC market in the professional segment than in most Latin America countries