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Gartner Says Asia/Pacific PC Shipments Increased 5 Percent in the First Quarter of 2003

Singapore, May 7, 2003 — Asia/Pacific PC shipments totaled 5.4 million units in the first quarter of 2003, a 5 percent increase from the first quarter of 2002, according to Gartner, Inc. (NYSE: IT and ITB). This growth rate was encouraging, especially as the Chinese New Year holidays were celebrated in key countries in Asia in the first quarter where IT spending generally slows and companies are closed for a period of time.

"Though demand for PCs was cautious because of the general weak economic situation and the war in Iraq, growth rates should have been stronger, but the market suffered a drastic decline in demand from South Korea, the second largest market in Asia/Pacific," said Lillian Tay, Principal Analyst for Gartner's Computing Platforms Asia/Pacific group.

PC shipments in South Korea declined 22 percent over the same quarter last year (see Table 1). North Korea's nuclear standoff, a major financial scandal and the war in Iraq have negatively affected the local economy. "These events have created an overly cautious purchasing climate, especially in the business sector," Tay said.

Table 1
Asia/Pacific PC Unit Shipment Estimates by Country for 1Q03 (Units)

Country	1Q03 Shipments	1Q03 Market Share (%)	1Q02 Shipments	1Q02 Market Share (%)	Growth (%)
China	2,173,468	40.2	2,002,662	39.0	8.5
South Korea	716,267	13.3	920,939	17.9	-22.2
India	615,466	11.4	529,308	10.3	16.3
Australia	578,844	10.7	497,531	9.7	16.3
Taiwan	292,905	5.4	252,174	4.9	16.2
Thailand	202,789	3.8	169,527	3.3	19.6
Malaysia	192,864	3.6	173,310	3.4	11.3
Hong Kong	135,004	2.5	128,523	2.5	5.0
Indonesia	128,670	2.4	114,411	2.2	12.5
Singapore	121,450	2.2	122,679	2.4	-1.0
Other Countries	243,945	4.5	222,947	4.3	9.4
Total	**5,401,672**	**100.0**	**5,134,011**	**100.0**	**5.2**

Note: Data includes deskbased PCs, mobile PCs, and IA32 servers.
Source: Gartner Dataquest (May 2003)

China is growing steadily, 9 percent over last year. No major spike in demand was seen, and the growth in the home market continues to outpace that of the professional market. Although other countries showed strong double-digit growth, it could not increase the region?s growth rate.

SARS had a limited impact on PC demand for the first quarter because the outbreak occurred toward the end of March. Hong Kong, Singapore and China are expected to receive the brunt of the SARS-related slowdown in the second quarter.

This quarter, the private market in Asia/Pacific grew 4 percent while the professional market grew 6 percent year over year. "This quarter?s performance is encouraging, compared with the same quarter one year ago, as the business market showed slow but slightly better-than-expected progress indicating that PCs are being replaced as needed," said Tay.

Stronger demand for mobile PCs drove the overall PC market while the deskbased PC remains flat. The mobile PC segment represented 18 percent of the overall PC market in the first quarter of 2003, compared with a 15 percent market share in the same period last year. Demand was driven by availability of more models with options, such as weight, CPUs, screen sizes and aggressive price points, which made mobile PCs more affordable than in previous years.

Legend was the market leader in the first quarter of 2003 (see Table 2), but Hewlett-Packard was still close behind in the No. 2 position. Dell continued to exhibit the strongest growth rate among the top-tier vendors.

Because of the poor performance of the South Korean PC market, the incumbent local vendor Samsung dropped off from the Asia/Pacific top 5 vendor ranking in the quarter. IBM performed well as its ThinkVantage Technologies strategies have come to fruition as well as major wins in countries such as Taiwan, Thailand and India.

Table 2
Asia/Pacific PC Vendor Unit Shipment Estimates for 1Q03 (Units)

Company	1Q03 Shipments	1Q03 Market Share (%)	1Q02 Shipments	1Q02 Market Share (%)	Growth (%)
Legend	627,346	11.6	567,390	11.1	10.6
Hewlett-Packard	596,801	11.0	552,516	10.8	8.0
IBM	424,260	7.9	330,100	6.4	28.5
Dell	350,815	6.5	258,227	5.0	35.9
Acer	257,520	4.8	229,362	4.5	12.3
Others	3,144,930	58.2	3,196,416	62.3	-1.6
Total	**5,401,672**	**100.0**	**5,134,011**	**100.0**	**5.2**

Note: Data includes deskbased PCs, mobile PCs, and IA32 servers.
Source: Gartner Dataquest (May 2003)

Additional information is available in the Gartner Dataquest Hardware Platforms, Trends and Markets Asia/Pacific Cluster Research program. This cluster program provides detailed analysis and statistics on the Asia/Pacific hardware industry. Additional information is available on Gartner's Web site