

Canalys: India's PC market shrinks 33% amid strong demand for notebooks and tablets

Shanghai (China), Bengaluru (India), Singapore, Reading (UK) and Portland (US) – Tuesday, 28 July 2020

Shipments of desktops, notebooks, tablets and workstations in India fell 33% year on year in Q2 2020 to reach 2.9 million units, despite the nationwide shutdown. Desktops (including workstations) were the obvious underperformers, with shipments halving from Q2 2019, down from 884,000 to 440,000, due to falling demand and a preference for notebooks. Shipments of notebooks (including mobile workstations) shrunk 32% year on year, given an unusually strong Q2 in 2019. Tablets performed better than average, with shipments down 9% to 740,000 units.

India total PC shipments (market share and annual growth)

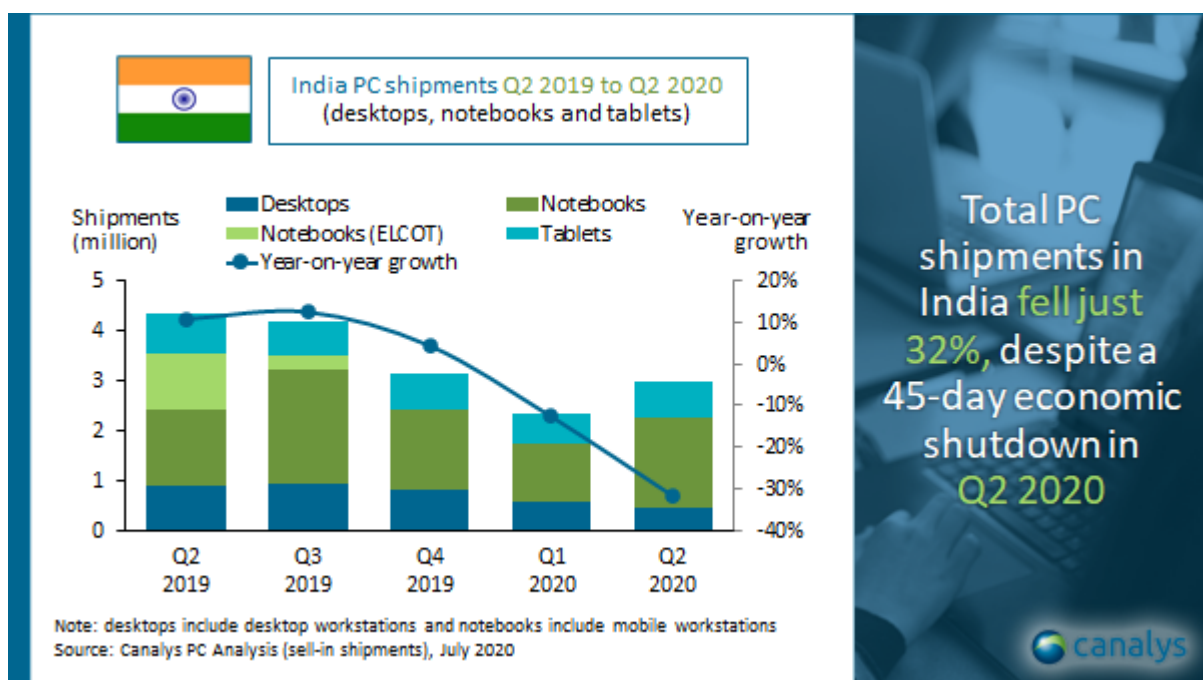
Canalys PC Market Pulse Q2 2020

Vendor (company)	Q2 2020 shipments	Q2 2020 market share	Q2 2019 shipments	Q2 2019 market share	Annual growth
Lenovo	818,000	27.4%	1,926,000	44.2%	-57.5%
HP	692,000	23.2%	753,000	17.3%	-8.2%
Dell	379,000	12.7%	476,000	10.9%	-20.3%
Samsung	173,000	5.8%	106,000	2.4%	63.0%
Acer	168,000	5.6%	310,000	7.1%	-45.9%
Others	674,000	25.3%	783,000	18.1%	0.5%
Total	2,902,000	100.0%	4,353,000	100.0%	-33.3%

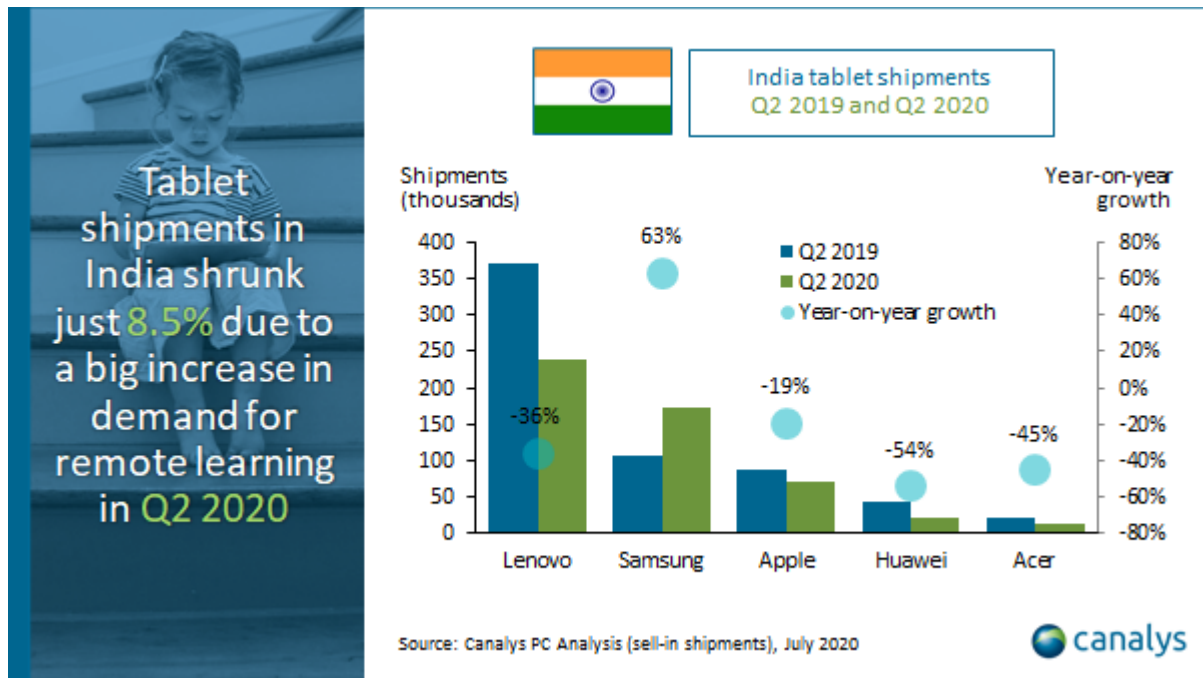
Note: percentages may not add up to 100% due to rounding.

Source: Canalys PC Analysis (sell-in shipments), July 2020

Lenovo maintained its lead in Q2, shipping 818,000 PCs. Its tablet business gave it an edge over the competition, accounting for 29% of its total shipments this quarter. HP, despite only taking second position with 692,000 shipments, led the individual categories of desktops and notebooks with shipments of 572,000 and 119,000 units respectively. Third-placed Dell saw a year-on-year dip of 20% and Samsung took fourth place with 173,000 units, on the back of commendable tablet numbers, and was the only vendor in the top five to grow its shipments. Fifth-placed Acer saw shipments decrease by 46% as it prioritized other markets outside of India.



“The top-line numbers don’t tell the whole story. This was actually a strong quarter for PCs,” said Canalys Research Analyst Varun Kannan. “Discounting Lenovo’s ELCOT deal in Q2 2019 with the Government of Tamil Nadu, notebooks have actually grown 15% compared with the same period last year. Given that the quarter had just 45 operational days, that is an incredible feat.” With most of India under lockdown, IT companies such as TCS, HCL, Infosys and Wipro have all announced arrangements for employees to work from home for the foreseeable future. “The COVID-19 pandemic forced most IT companies in India to forego their strict office-based working policies in favor of adopting new hybrid working arrangements to ensure business continuity during the lockdown. This led to panic-buying of PCs and accessories, cleaning out inventories almost everywhere in the country. The days of writing off inventory with markdowns and discounts have vanished.”



“Despite the boost, the PC industry still faces an unstable future,” added Kannan. “A slow return to normal will prompt many companies to reduce spending or even downsize, which will have a rollover effect on IT expenditure. But online learning will remain a bright spot in the coming quarters, driven by government and private technology companies’ initiatives, and PC hardware vendors should follow up quickly to capture the opportunities arising in this segment.”

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