

Canalys: India's notebook shipments more than double to 2.5 million in Q1 2021

Shanghai (China), Bengaluru (India), Singapore, Reading (UK) and Portland (US) – Tuesday, 8 June 2021

PC shipments (including tablets) in India grew by 72% year on year in Q1 2021 to reach 4.0 million units, comprising 517,000 desktops, 2.5 million notebooks, 930,000 tablets and 43,000 workstations. Almost all categories grew well, mainly due to a poor Q1 2020, when supply was hit due to pandemic restrictions in China. Notebooks (including mobile workstations) were the major growth driver, as shipments grew 119% over Q1 2020. Tablets also had one of their biggest quarters since 2016, with 52% year-on-year growth. Desktop shipments fell 6% to 517,000 units due to a fall in popularity for the form factor.

India total PC shipments (market share and annual growth) Canalys PC Market Pulse Q1 2021

Product category	Q1 2021 shipments	Q1 2021 market share	Q1 2020 shipments	Q1 2020 market share	Annual growth
Desktop	517	12.8%	550	23.5%	-5.9%
Notebook	2,548	63.1%	1,161	49.6%	119.4%
Tablet	928	23.0%	610	26.0%	52.2%
Workstation	43	1.1%	22	1.0%	93.3%
Total	4,037	100.0%	2,344	100.0%	72.2%



Note: Shipments in thousands. Percentages may not add up to 100% due to rounding.
Source: Canalys PC Analysis (sell-in shipments), May 2021

Vendor performances

- **HP** overtook Lenovo to take first place, with shipments up 102% year on year in Q1 2021. Constraints eased as India secured better supplies, especially in notebooks, where shipments grew 121%.
- **Lenovo** fell to second place, growing 63% year on year in Q1 2021, much slower than the overall market. Lenovo has avoided competing over government tenders, primarily due to concerns of bias against it with respect to geopolitical tensions between India and China. The company is focused on ramping up its “Make in India” initiatives, primarily around tablets, to win back confidence from certain government entities. The company recently had a change at the top as Shailendra Katyal took over from Rahul Agarwal.
- **Dell** came third, despite a huge dip in its desktop business. With the slowest growth among the top five, Dell’s lack of focus on consumers is glaring. Its popularity within enterprises and among commercial end users has helped it maintain its shipment volumes. Of the top three vendors, Dell has the greatest number of devices using the latest generation of Intel chipsets, which will help it further cement its position in the enterprise and commercial markets.
- **Samsung** jumped to fourth place with its strong tablet business. Samsung is one of the few Android tablet vendors able to cater to large orders, especially during the pandemic. Samsung’s tablet business has been especially bolstered by government spending on the accelerated digitalization of services and functions, as well as procurement for elearning enablement in public schools and institutions.
- **Apple** completed the top five, knocking out Acer. The vendor benefited from having a strong notebook and tablet portfolio, which was firmly consumer-focused. It has seen its shipments grow two-fold to 208 million units, with its notebooks and tablets recording their best-ever quarter in the country, largely aided by the availability of its official online store.

India total PC shipments (market share and annual growth)
Canalys PC Market Pulse Q1 2021

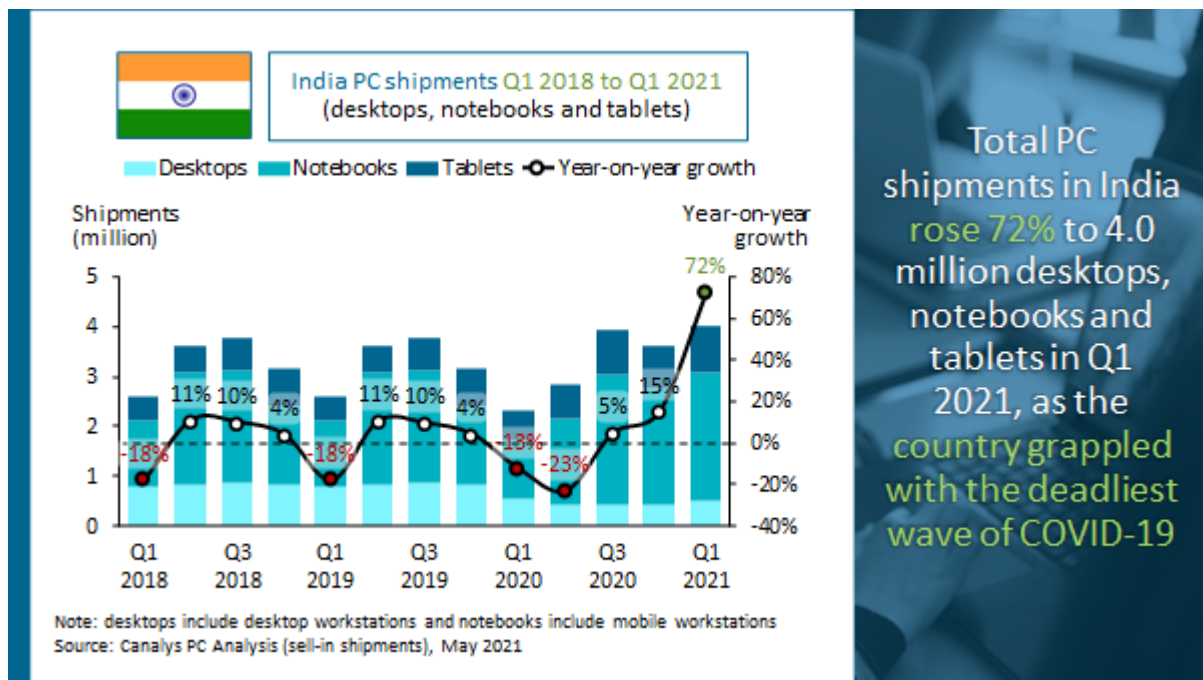
Vendor (company)	Q1 2021 shipments	Q1 2021 market share	Q1 2020 shipments	Q1 2020 market share	Annual growth
HP	1,022	25.3%	506	21.6%	102%
Lenovo	964	23.9%	591	25.2%	63%
Dell	534	13.2%	358	15.3%	49%
Samsung	331	8.2%	110	4.7%	201%
Apple	208	5.2%	104	4.4%	100%
Others	978	24.2%	675	28.8%	45%
Total	4,037	100.0%	2,344	100.0%	72%



Note: Shipments in thousands. Percentages may not add up to 100% due to rounding.
 Source: Canalys PC Analysis (sell-in shipments), May 2021

“Measuring true demand in India is extremely difficult,” said Canalys Research Analyst Ashweej Aithal. “The second COVID wave has been ruthless, claiming many more lives and livelihoods than the first wave, forcing India to pause almost all economic activity. For PCs, the entire channel has been paralyzed, and despite healthy demand from consumers and businesses alike, fulfilling orders was the primary issue once again. Channel partners that have not been able to pivot to online sales have seen a huge portion of their business slip during the pandemic. In addition, OEMs prioritizing fast-moving markets, such as the US and Western Europe, and diverting the bulk of their inventory to these markets, has further aggravated the situation. For most of this year and next, India will suffer from supply issues.”

The surging demand for PCs led to the entry of new vendors such as Nokia and Vaio, which launched new notebook models and plan to use their strong brand recognition to tempt customers. The market also saw an exceptional rise in the gaming PC sub-category. Shipments of “gaming-capable” machines grew almost 65% year on year as the pandemic gave rise to a need for new forms of entertainment, given movie theaters, theme parks, pubs and restaurants were closed for much of the year.



Total PC shipments in India rose 72% to 4.0 million desktops, notebooks and tablets in Q1 2021, as the country grappled with the deadliest wave of COVID-19

“India may soon become a major manufacturing hub for PCs, as the Indian government is planning to extend its Production-Linked Incentive scheme for smartphone manufacturing to the PC industry. The scheme is designed to target overseas players that invest INR 500 crores (US\$69 million) over a period of four years in Indian manufacturing facilities for laptops, tablets and servers to boost domestic exports and employment,” said Aithal. “Manufacturers are expected to get incentives for laptops manufactured and priced above INR30,000 (US\$400) and tablets priced above INR15,000 (US\$200). Canalys expects most ODMs and OEMs to take advantage of this route, as the long-term outlook for India is still strong. While the commercial sector remains a key focus, PCs in education and for consumers are future hotspots.”

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