

Canalys predicts 14% growth in PC market for 2011

- For every 10 pads sold in 2011, five netbook or notebook PCs will not ship

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For immediate release

Canalys today announced the release of its latest worldwide PC market forecast, estimating year-on-year growth of 14% for 2011. The analyst firm predicts that much of this growth will come from pad shipments, which will increase to 52 million units worldwide in 2011. Of these shipments, Apple is expected to account for over 75%, leaving approximately 12 million units for other vendors.

Canalys anticipates that the iPad's success will continue, and even accelerate, with the arrival of the thinner, lighter and faster iPad 2. This growth means, however, that 'traditional' PC companies, notably Microsoft, Intel and AMD, are likely to lose market share during the year.

'Pads are disrupting the PC refresh cycle in highly penetrated markets,' said Canalys Analyst Tim Coulling. 'Their innovative user experience has captured the imagination of consumers, who are extending the life of their existing hardware, while taking an interest in pads.'

Canalys also urges vendors not to dismiss the opportunity for pads in business: 'The number of affluent, highly-mobile executives buying pads will increase quickly in 2011,' said Principal Analyst Daryl Chiam. 'Likewise, vertical market adoption of pads, especially in healthcare and education, will gain momentum, as more appropriate applications are built.'

Notebook and netbook sales will suffer

For every 10 pads sold this year, Canalys estimates that five netbook or notebook sales will be lost, across both consumer and enterprise markets. This trend will be most pronounced in developed markets, such as the United States, Canada, France, Germany, the UK, the Nordics, Benelux, Australia, and Japan.

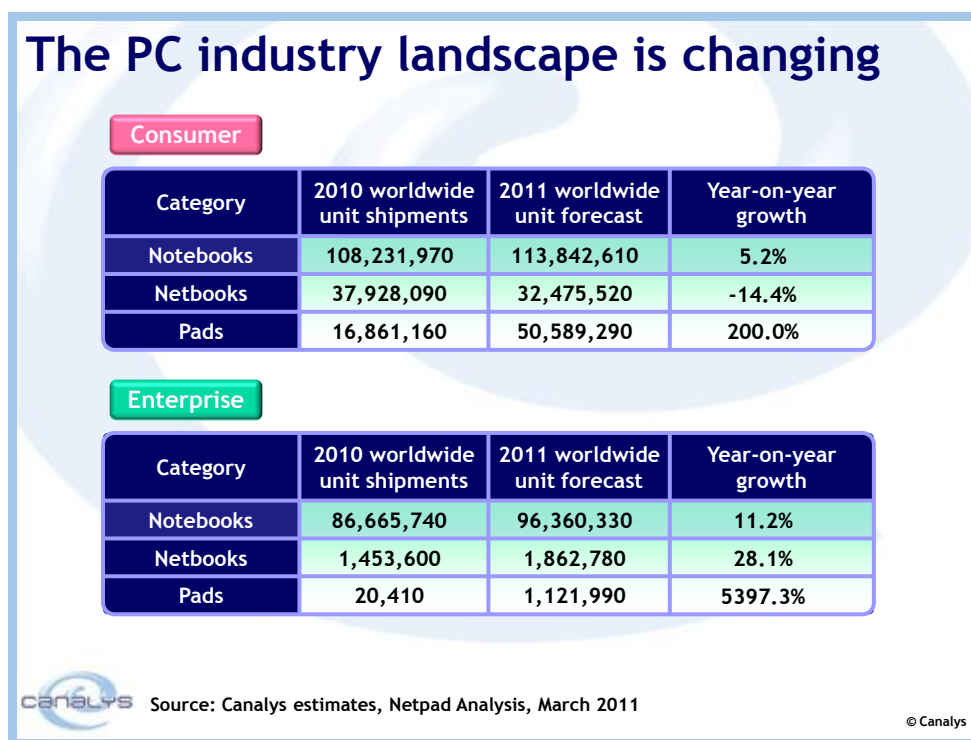
Canalys expects the notebook PC category to grow nearly 8% in 2011, despite the impact of pads, thanks to the ongoing Windows 7 refresh and improving business confidence in the commercial sector. Netbooks, however, will decline by about 13% to 34 million units.

Overstocked retail channels in many countries, including the United States, much of Western Europe, China and Indonesia, will further hinder notebook growth in the first part of the year. Even Russia, where high oil prices have led to a PC boom, has become oversupplied.

Political revolutions and protests in the Middle East and North Africa have brought the markets there to a virtual stop, and it is difficult to predict how long this disruption will last. There is a risk that political turbulence will spread even further afield. In addition, the recent events in Japan will mean some short-term disruptions to the supply chain, but it will take weeks to fully assess the damage and consequences. Canalys expects that there will likely be a small noticeable impact to global PC shipments.

‘The netbook and notebook industry is lucky that Apple’s geographical reach remains limited, so that its impact in BRIC¹ countries and some other larger markets, such as Indonesia and Turkey, remains small,’ said Chiam. ‘In many of these countries, the iPad 2 will be delayed by the need for regulatory approval, and sales may also be restricted by the lack of localized iTunes stores.’

‘The rise of the pad is phenomenal,’ said Chiam. ‘We anticipate the arrival of many more innovative devices in the mobile PC category over the next couple of years.’



About Canalys Netpad Analysis

Canalys Netpad Analysis enables hardware and software vendors and service providers to track this rapidly developing market. The service delivers overall volume forecasts, and market sizing and shares for desktop, netbook, notebook and pad shipments, through both established and emerging channels.

¹ BRIC refers to Brazil, Russia, India and China.

About Canalys

Canalys serves the technology industry with high-quality analysis, produced via a rigorously consistent methodology that is complemented by attentive customer service. Its talented, ambitious and globally integrated team are leading-edge users of technology. We deploy innovative web-based solutions to gather research, connect communities and provide customer-friendly deliverables. These investments underpin the company's long-term approach to consistent, profitable global growth.

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