

# PC shipments fell by 30% in Q1, notebooks fared the worst

**SURAJEET DAS GUPTA**  
New Delhi, 23 May

The India personal computer (PC) market shipment, inclusive of desktops, notebooks, and workstations, dropped by an overall 30.1 per cent in the first quarter of CY2023 over the previous year, to only 2.99 million units, according to the latest data from the International Data Corporation (IDC) Worldwide Quarterly Personal Computing Device Tracker released on Tuesday.

In Q1CY23, while the demand for desktops was positive, the notebook category witnessed another weak quarter as it declined by 40.8 per cent year-on-year (y-o-y). The consumer segment declined by 36.1 per cent y-o-y primarily due to slowing demand and weak market sentiment. The commercial segment declined by 25.1 per cent y-o-y due to reduced/delayed procurement by enterprises and SMEs.

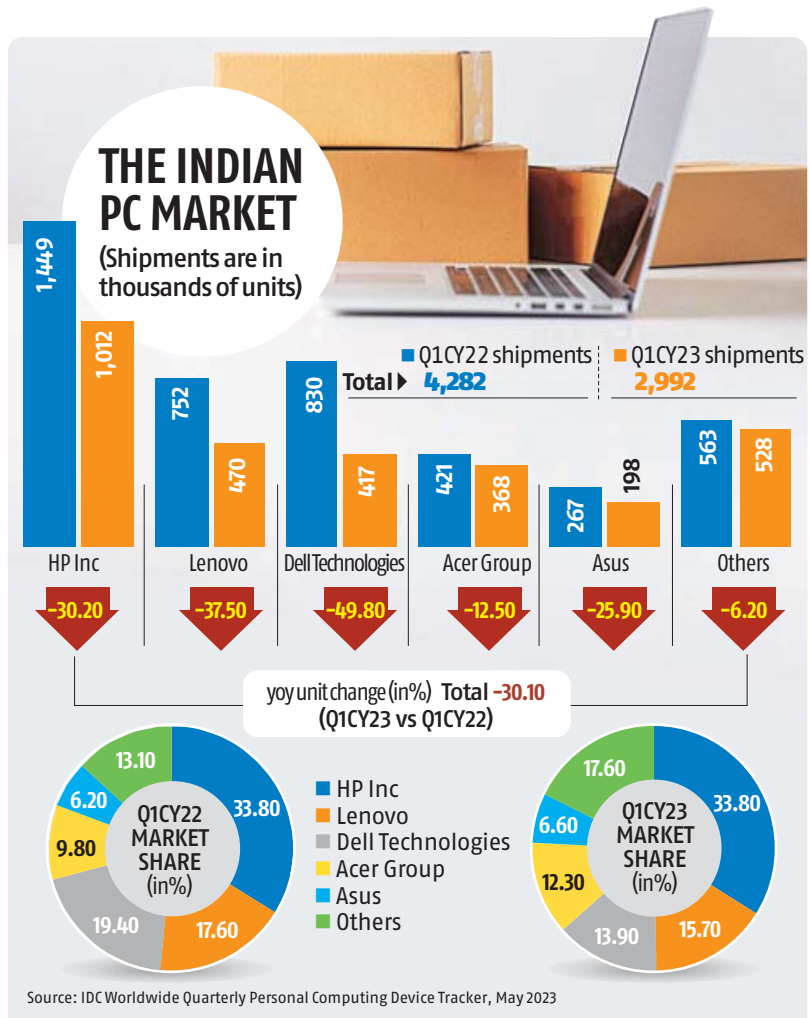
The continuous decline in shipments of PCs comes at a time when the government has just announced a revamped Production Linked Incentive (PLI) scheme for IT products with better financial incentives. The aim is to enhance domestic production of PCs and laptops, which are currently mostly imported — that too, from China — and to transform India into an export hub.

The hope is that global companies like HP, Dell, Acer, Asus, and Lenovo will move their production to India by giving contracts to EMS players.

Experts expect the lower figures to be a temporary blip and that demand will pick up enough to make production in India attractive. According to the India Cellular and Electronics Association (ICEA) estimates, the PLI scheme in IT hardware envisages a cumulative production in six years of ₹3.35 lakh crore, which is not even half of the cumulative demand in the domestic market for the same period.

But the reality at the moment is that the decline in shipments in Q1CY23 would have been even sharper had it not been for demand from the government and education segments. Procurement from government bodies propelled the segment to grow by 25.2 per cent y-o-y while fulfilment of the Gujarat education order helped the education segment grow by 65.6 per cent y-o-y.

The biggest hit was in premium notebooks (>\$1,000); these saw shipments decline by 65.8 per cent y-o-y in the commercial segment and 59 per cent y-o-y in



the consumer segment. The IDC said that “significant inventory correction of Apple MacBooks and low demand from enterprises led to a slump in the shipment of premium notebooks. The online channel struggled for the second consecutive quarter, declining by 42.4 per cent y-o-y in Q1CY23”.

Channel partners across tiers for almost all vendors have been carrying heavy inventory for the last two quarters. Hence, shipments in the consumer segment decreased significantly in Q1CY23 as they focused on clearing off aging inventory.

“The consumer market is expected to gradually recover from June-July with the back-to-college demand and then aggressive online sales expected during the fes-

tive months in Q3/Q4,” said Bharath Shenoy, senior market analyst, IDC India.

In terms of the companies, HP was the leader with a market share of 33.8 per cent despite an overall decline in shipments. Lenovo was second in the pecking order with less than half of HP’s market share at 15.7 per cent and it saw its shipments decline by 37.5 per cent.

While it was second in the consumer segment with a share of 14.2 per cent, it was marginally behind Dell in the commercial segment as it held third place with a share of 16.8 per cent. The vendor struggled in the government segment even though this quarter was driven by government orders. For the rest, Dell stood at number three followed by Acer and Asus.

**‘The consumer market is expected to gradually recover from June-July with the back-to-college demand’**