

## Worldwide Server Shipments to Peak in 2020 Due to Business-Transforming 5G Technology, Says TrendForce

2019-04-22 [Mark Liu](#)

According to [DRAMeXchange](#), a division of [TrendForce](#), the global server market is predicted to continue growing in 2019, but under the pressures of business cycles and worldwide uncertainty, this year's server shipment growth has shrunk slightly compared to 2018, coming to 3.9%.

DRAMeXchange Senior Analyst Mark Liu points out that, upon analyzing the market, worldwide server growth momentum in 2018 mainly derived from North American brands, which comprised over 30% of total shipments. Category-wise, enterprise servers still form the largest shipment group, while the share of shipments toward internet datacenters is growing year by year, growing from 35% in 2018 to 40% in 2019. As 5G begins to transform businesses, telecommunications companies and internet providers will increase in their demand for servers. Predictions are that server shipments will peak in 2020.

Looking back at the first season this year, datacenter demand was relatively unaffected by the traditional offseason, as total shipments continued to experience stable growth. ODM direct business shipments grew by 1.3% compared to the previous season. As orders continue to arrive in the second season, we may still see seasonal growth of around 1%-3%, bringing market shares up to 26.6%.

Brands were hit by the offseason in the first quarter, with their shipments falling by over 20% compared to last quarter, but the market made a notable recovery entering the second. Looking at the global market share rankings of server brand manufacturer in 2H19, we see Dell EMC, HPE (including H3C) and Inspur taking the top three spots, with market shares of 15.8%, 13.7% and 7.5%, respectively.

Worth mentioning is that China's top cloud service providers will drop by about 15% YoY in server purchases this year, while North American companies will be less affected, their purchases projected to keep growing by 5%-10%. As for second-tier companies such as China's Bytedance and North America's NetApp, this year's server purchases will grow by over 40% compared to last year, thanks to overseas business development and self-built datacenters contributing to demand.

### About TrendForce

TrendForce is a global provider of the latest development, insight, and analysis of the technology industry. Having served businesses for over a decade, the company has built up a strong base membership base of 435,000 subscribers. TrendForce has established a reputation as an organization that offers insightful and accurate analysis of the technology industry through five major research divisions: DRAMXchange, WitsView, LEDinside, EnergyTrend and Topology. Founded in Taipei, Taiwan in 2000, TrendForce has extended its presence in China since 2004 with offices in Shenzhen and Beijing. For more details about TrendForce, please visit [www.trendforce.com](http://www.trendforce.com)

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**DRAMeXchange** focuses on memory, storage and the consumer electronics industry including PC DRAM, Mobile DRAM, Server DRAM, NAND Flash, SSD and smartphone.

**WitsView** offers comprehensive coverage of the display industry from upstream components, midstream panels/touch modules to downstream system integrators, brands and channels.

**LEDinside** covers all aspects of the LED supply chain from upstream equipment/materials, midstream chip/packaging to the downstream backlight and lighting market.

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**Topology** studies structural trends of technology industries in the Greater China Region and beyond, focusing on semiconductors, photovoltaic technology, telecommunications, and IA.

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