

Early Stocking Amid the US-China Trade Dispute Pays Off, with Global Notebook Shipments in 2Q Growing by 12% QoQ, Says TrendForce

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According to the latest notebook shipments report by [TrendForce](#), concerns over the US-China trade dispute and the Intel CPU shortage originally casted a conservative cloud over the overall outlook for the market in 2Q19. Yet three factors played a role in pushing 2Q shipments to 41.5 million units to give an expectation-exceeding QoQ growth of 12.1%: (1) AMD CPUs are being substituted for Intel CPUs; (2) Chromebooks find increased demand in the form of tenders; and (3) worries arising from the trade dispute moved brands to stock up anticipatorily.

HP Reaches a New Shipment High for a Single Month, while Lenovo Surpasses Dell and Takes Second Place

TrendForce points out that the North American market makes up one-third of global notebook demand, and brands started to stock up early in June to mitigate the impacts from punitive tariffs. Leading brand HP saw shipments reaching 4.4 million units in June, which forms the second time the company hits a single-month shipment high since it last did in the June of 2018. This also pushed its shipments for 2Q to 10.30 million units, bringing QoQ growth to 11%.

Dell's shipments arrived at 7 million units thanks to the sales growth it enjoyed in the European markets of 2Q, but endeavored to boost business performance since the end of 2018 last year when it returned to the shelves and enjoyed a rather large number of shipments in 1Q19, which formed its base period. This led to the 8.8% QoQ decline in 2Q.

Apple strived to give a stable performance in 2Q, reaching 3.2 million units in shipments and registered a QoQ growth of 1.7%.

Acer Scores the Highest Shipment Growth QoQ Due to Proactive Stocking, while Asus Adjusts Portfolio to Boost Shipments

Preemptive stocking to deal with the US-China trade dispute was especially prevalent in Acer, who saw shipments rising to 3.5 million units in 2Q and QoQ growth reaching 38.6%, the highest among all brands. Its ranking even came above that of Apple and landed fourth place. Acer's taking pains to pull in early demonstrates how much the North American market means to the company.

Asus's shipments came to 3 million units in 2Q, registering a QoQ growth of 17.3%. Ever since it restructured its organization last year, Asus reduced the proportion of some product lines in its portfolio due to profitability considerations, and has already improved its low shipments situation.

3Q Shipments Still Growing under Peak Season Demand, with Tariff Impacts to Show in 4Q

According to the 3Q outlook for notebook shipments, demand for Chromebooks remains strong thanks to the back-to-school period; at the same time, we see new products hitting shelves, such as Apple's 16-inch MacBook, Dell's products with 16:10 aspect ratio, Asus's dual-screen laptop, as well as various gaming laptops in increasingly hot demand. Although the actual number of sales will have to wait until the market gives its verdict, these new releases do help push up stock levels.

Yet, the Trump administration will be slapping a 10% tariff on the remaining US\$300 billion worth of China's exports on September 1st, which may become the biggest single factor determining notebook shipments for the second half-year. Judging from past experiences, shipments are very likely to receive a jolt in the short-term as suppliers attempt to keep the tariff from pushing up costs. But since the 10% tariff will be imposed on products entering harbor on September 1st, additional shipments in August to be shipped by sea are obviously not going to

avoid this 10% tariff. Thus, the view on whether there will be a short-term jolt in notebook demand remains conservative. As for whether additional tariffs will impact end sales and affect the strength of future notebook shipments, things will get clearer upon entering 4Q.

TrendForce forecasts notebook shipments to reach around 43 million units in 3Q, registering a 3.6% QoQ growth over 2Q on the strength of the peak season.

Table: Global Rankings by Notebook PC Shipments for 2Q19

Brand	2Q19				3Q19(E)			
	Ranking	Shipments	QoQ	YoY	Ranking	Shipments	QoQ	YoY
HP	1	10,250	11.0%	-4.8%	1	11,450	11.7%	6.0%
Lenovo	2	8,955	34.2%	9.2%	2	7,860	-12.2%	-6.8%
Dell	3	6,910	-8.8%	-14.2%	3	7,200	4.2%	0.3%
Acer	4	3,485	38.6%	6.3%	6	3,250	-6.7%	-3.0%
Apple	5	3,210	1.7%	19.8%	4	3,850	19.9%	14.8%
Asus	6	2,980	17.3%	-1.5%	5	3,600	20.8%	0.4%
Others	-	5,675	7.4%	11.8%	-	5,765	1.6%	-3.4%
Total Shipments (Unit: thousand units)	-	41,465	12.1%	0.9%	-	42,975	3.6%	0.7%

Note: Lenovo's does not include shipments from acquired brands.
Source: TrendForce, Aug., 2019

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

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