

## Smartphone Production Volume Grew 10.5% QoQ in 2Q19, with a 5% Decline Forecast for the Whole Year, Says TrendForce

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According to investigations by [TrendForce](#), smartphone demand has already made it out of the gloomy offseason of 2Q19, with production volume coming to 344 million units, a 10.5% QoQ growth. Yet the many uncertainties circulating in the international market still caused smartphone production volume to weaken by 2.4% YoY in 2Q19, with the top six being Samsung, Huawei, Apple, OPPO, Xiaomi and Vivo in descending order.

Influential factors such as the US-China trade dispute and the Japan-South Korea trade frictions still linger in 3Q19 looking forward. And with the arrival of the 5G era, the transition into which the on-looking smartphone market witnesses with anticipation, customers will be holding on to their phones for longer. This will whittle down peak season performance in 2H19, and smartphone production volume for 3Q19 is forecast to lie around 363 million units. Despite growing over 2Q19 by 5.8%, this is still a 4.4% decline YoY compared to the figure of 380 million units for the same period last year. Total smartphone production volume is expected to arrive at 1.38 billion units, a YoY decline 5%.

### Both Huawei and Apple Suffered Setbacks in Production Volume Due to the Trade War

Looking at the 2Q19 rankings for smartphones, we see Samsung steadily taking first place yet again, with production volume coming to 76.5 million units, a 3% growth YoY, registering the best performance in a single quarter since 2018. This is due to Huawei's loss in European and American market share as an effect of the ban. Contrarily, Samsung reaped a harvest after having cultivated its presence in European and South American markets in the past. TrendForce forecasts that production volume in 3Q19 will trend flat from 2Q19 and come to 76 million units.

However, though the throne seems safely guarded by Samsung phones, the loss of market share remains to be an underlying risk for Samsung. Thus, Samsung will be working on its product portfolio and replace the mid-range J series with the mid-high A series, which will become Samsung's mainstream product. Samsung will also be using the A series' existing place in the market to reshape the image of the brand and compete with Chinese brands, who place an emphasis on high specs. Samsung will also be releasing the M series, which boasts long battery life, and target online customers such as those in India and Indonesia.

### OPPO, Xiaomi and Vivo to Resort to Differentiation as Competition Intensifies in Chinese and Overseas Markets

### 2020 to Usher in the Era of 5G Smartphones, with China Brands to Take Over Half in 5G Smartphone Market Share

The smartphone market requires the help of hot topics to motivate demand in 2020 looking forward. Aggressive R&D on the part of brands and the China government's proactive push for 5G commercialization will both accelerate the arrival of the 5G era. The penetration rate of 5G smartphones next year may get a chance to arrive above 15%, with China brands to make up over half of total 5G production volume.

## 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)

**Major research divisions:**

**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.

**EnergyTrend** specializes in green energy research, such as solar energy, lithium battery, energy storage systems and xEVs.

**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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