

# The pandemic-era PC boom is over

Article

**The news:** Apple's PC shipments declined **40.5%** from Q4 2022 to Q1 2023, reflecting that the mounting malaise in the PC sector has finally caught up with Cupertino, per [Bloomberg](#).

Apple stock was down by as much as **3.12%** to **\$161.65** Monday on the news of decreased shipments.

**PC industry sales plummet:** Shipments by all PC makers slumped **29%** to **56.9 million units** in the same time period—falling below the level of early 2019.

- The drop in PC demand is attributed to economic uncertainty and diminished consumer demand.
- **Lenovo** and **Dell** registered drops of more than **30%**, while **HP** was down **24.2%**, and **Asus** dealt with a **30.3%** reduction.
- **Samsung**, which provides memory for desktop and laptop PCs, said it's cutting memory production after reporting its [slimmest profit since the 2009 financial crisis](#).
- **Foxconn**, the world's largest contract manufacturer of electronics, [reported a 21% YoY fall in revenue](#) in March.
- Similarly, **TSMC**, the world's largest foundry, posted its first revenue drop in nearly four years, per [The Wall Street Journal](#).

**Apple losing its shine:** Apple's drop in shipments is the most dramatic among PC manufacturers, especially considering it was the outlier in the segment in Q3 2022.

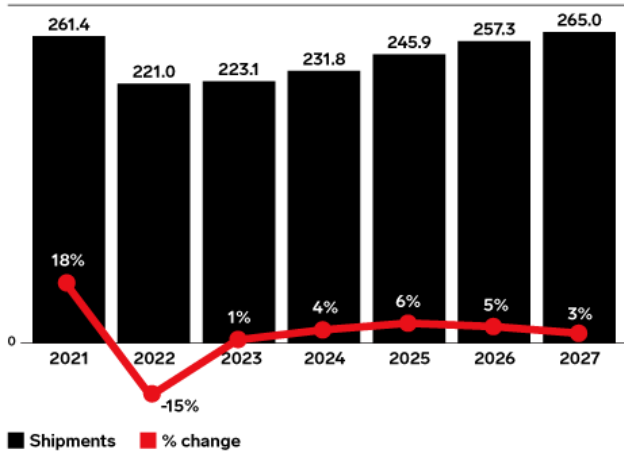
- The **MacBook** maker had a **13.5% market share** of the PC market as of Q3, per IDC, and enjoyed staggering **40.2% growth YoY** when its competitors were falling behind.
- Transitioning to the [second-generation M2 Apple Silicon chips](#), Apple seemed to be coasting on the demand for new MacBooks and desktops.

**Our take:** We've seen the end of the pandemic's PC boom, when the transition to remote work and learning fueled unparalleled demand and led to notebooks, desktops, and [peripherals like cameras](#) being in short supply.

- There is a potential for a rebound in the PC sector. Apple is preparing to launch the new [M3-powered MacBook Air](#) in the summer, which could drive adoption.
- IDC is expecting growth in PC sales to be fueled by an aging PC install base updating to **Microsoft Windows 11** devices.
- Pushing new devices doesn't solve the growing glut of PC inventory. Discounting might be able to move inventory, especially leading into the summer and back-to-school sales.

## Notebook PC Shipments Worldwide, 2021-2027

millions and % change



Source: Omdia as cited in press release, July 11, 2022

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