

PC market expected to slow down in 2022 after two years of double-digit growth

Article

The news: After an unprecedented period of pandemic-led demand in the face of component [shortages](#), the global PC market is starting to cool down.

What this means: IDC's latest **Worldwide Quarterly Personal Computing Device Tracker**, which gathers data in more than 90 countries, indicates that even as demand slows in 2022, the PC market is expected to see a five-year growth rate (CAGR) of **3.3%** in the long run, mostly driven by laptop sales, [per](#) The Register.

- "The market has pulled past peak pandemic PC demand," said **Jitesh Ubrani**, research manager with IDC's Mobility and Consumer Device Trackers.
- Global shipments of traditional PCs are expected to hit **344.7 million units** by the end of 2021. Annual shipments are expected to decline **3.4%** in the year's final quarter.
- Laptops and gaming PCs are still in demand, but tablets are on a downward trend; fourth-quarter shipments for tablets are predicted to decline by **8.6% YoY**.

The bigger picture: The frenzied demand for PCs at the start of the pandemic sustained double-digit growth even as manufacturers felt the sting of a [protracted chip and component shortage](#) this year.

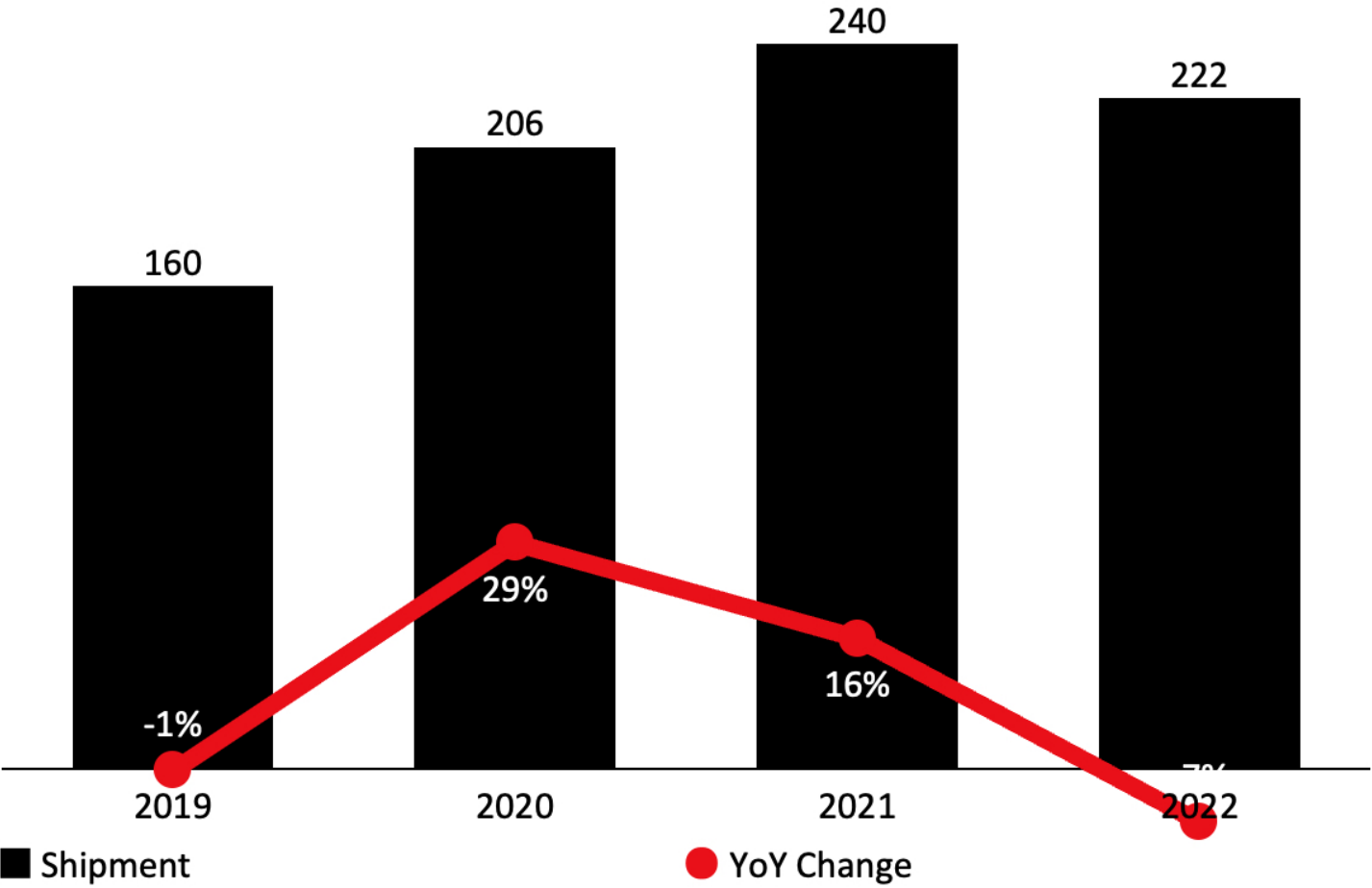
- In context, **HP's CEO Enrique Lores** said in August, "We are selling everything that we build," noting that July sales would have grown more if components were readily available.
- The added pressure of a global [component shortage](#) put undeniable strains on the industry that "had to satisfy historic demand for devices ... that met the remote and hybrid moment," said **Vlad Rozanovich, president of Lenovo North America**, in an [interview](#) with Insider Intelligence.
- IDC noted that PC makers are also cutting corners by sacrificing [features](#) in lower-end products like Chromebooks, which, like tablets, are [being shunned](#).

What's next? PC makers will continue to fine-tune their output to work around chip shortages that are expected to continue in 2022.

- PC makers will prioritize more expensive commercial products over cheaper consumer products until supply catches up with demand.
- This means **doubling down on business laptops and gaming PCs**, which are in high demand and can yield more profit since they are premium segments.
- Tablets will continue to be challenged, mostly by premium smartphones and notebook PCs. In context, **Apple cut iPad production in half in Q3 to focus on iPhone 13**, which is in much higher demand.

Annual Notebook Shipments, 2019-2022

(Unit: Million)



Source: Trendforce, Sep. 2021

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