

Global phone shipments see worst quarterly drop in 10 years

Article

The news: Global smartphone shipments declined 18.3% YoY in Q4, with 300 million units shipped globally, per [IDC](#).

By the numbers: 1.21 billion smartphones were shipped in all of 2022, the lowest annual shipment total since 2013.

- **Apple** maintained its position as the leading smartphone maker in the world and **shipped 72.3 million iPhones in Q4**, down 14.9% YoY.
- **Samsung saw shipments decline 15.6% YoY** to 58.2 million units.
- “We have never seen shipments in the holiday quarter come in lower,” said **Nabila Popal**, research director at IDC.

A global problem: The plummeting demand for new devices worldwide will have a ripple effect across various regions.

- Smartphones are one of Korea’s largest exports due to the dominance of Samsung as an **Android OEM**.
- They are also a key source of income for Vietnam, where various phone and component factories assemble the devices.
- Apple, whose **iPhone 14** supply was constrained by China’s factory closures, is looking to expand into India. Decreased demand could slow down expansion plans.

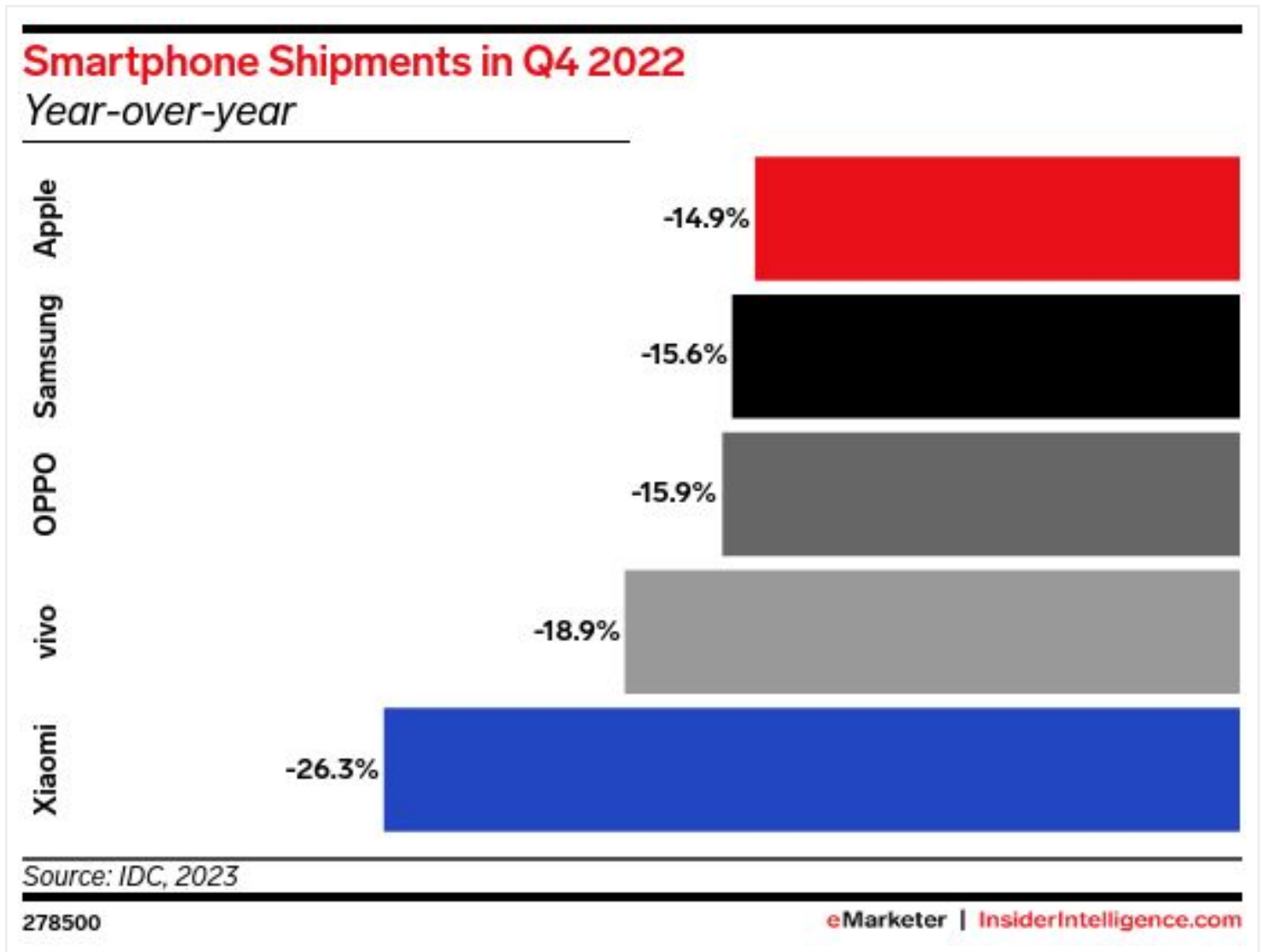
Smartphone industry faces challenges: The average length of phone ownership is increasing, with **the majority of people holding on to their current model for more than three years**, per [IEEE.org](https://www.ieee.org). Expect demand for new smartphones to dwindle further in a down economy.

- Smartphone innovation has plateaued, with new devices offering incremental performance upgrades, slightly improved cameras, and larger displays.
- The **transition to 5G** was the last major innovation that required the adoption of new technologies.
- 5G markets are quickly saturating while emerging countries are still reliant on older 3G and 4G networks and aren’t likely to upgrade anytime soon.
- New form factors like foldables and dual-screen devices have not gained traction. Microsoft reportedly **gave up on dual screens**.

Key takeaway: The two areas that could wrestle the smartphone market from stagnating sales are pricing and innovation.

- The majority of smartphone profits come at the high end of the market. Very little disruption is happening in the entry-level and midrange.

- Innovation is a more difficult lever for smartphone makers who are now mostly focused on services and subscriptions rather than smartphone functionality.



This article originally appeared in Insider Intelligence's Connectivity & Tech Briefing—a daily recap of top stories reshaping the technology industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.

- Are you a client? [Click here to subscribe.](#)
- Want to learn more about how you can benefit from our expert analysis? [Click here.](#)