

PC shipments up nearly 2 percent in 1st quarter

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The number of personal computers shipped worldwide rose more than expected in the first quarter, but the bump did little to mask the larger challenges for the industry.

Gartner Inc. said Wednesday that there were 89 million PCs shipped in the first three months of the year, an increase of 1.9 percent from a year earlier. That's above the research firm's earlier expectations of 1.2 percent.

Another research group, IDC, also announced Wednesday that shipments were up 2.3 percent, above its expectations of a 0.9 percent decline.

The reports may have beat expectations, but confirmed that the PC industry is in a state of flux.

Personal computers have taken a backseat to tablet computers such as the iPad in the U.S. and other industrialized nations. But Gartner found that PCs also are falling short of expectations in other markets worldwide, including China and India, where computer ownership is low.

Gartner says the quarter serves as a warning to the industry that PC makers cannot rely heavily on growth in these regions.

PC vendors typically see a lull in sales during the first quarter following the holiday season. But Gartner's results reveal worse-than-normal shipment growth as consumers and some businesses are opting instead for smaller, sleeker devices.

The industry was also dealing with a shortage of hard drives, which had a limited impact on the period.

Gartner said that PC shipments declined 3.5 percent in the U.S., which is better than the 6.1 percent decline it anticipated. Shipments to Asia rose 2 percent, weighed down by weak demand in India and China. Shipments to Latin American declined 3.2 percent.

Shipments to Japan rose 11.5 percent and those to the larger Europe and Middle East region increased 6.7 percent.

IDC found similar global trends but was slightly more optimistic on the industry's future.

"History has shown that periods of slower growth are followed by recovery as improving technologies make replacements as well as new purchases increasingly compelling," Loren Loverde, IDC's vice president of worldwide consumer device

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trackers, said in a statement. "As a result, we expect PC shipments to pick up significantly by the fourth quarter."

Hewlett-Packard Co. and Lenovo Group Ltd. were the standouts during the period, according to both firms.

Gartner found that Hewlett-Packard strengthened its position as the market leader, accounting for 17.2 percent of the world's shipments during the quarter. No. 2 Lenovo was a strong performer as well, increasing its shipments by 28.1 percent. It has a market share of 13.1 percent.

Dell Inc., Acer Group and AsusTek Computer Inc. rounded out the Top 5.

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