

Smartphone makers challenged by China 'saturation'

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A cooling of smartphone sales in China suggests the world's biggest market for the devices has reached a saturation point, posing challenges for manufacturers, a research report said Thursday.

A report by Gartner research firm said worldwide smartphone sales in the second quarter showed the slowest growth rate since 2013, increasing 13.5 percent to 330 million units.

But sales in China were down four percent from a year ago, as growth shifted to other Asian markets and emerging markets in Eastern Europe, the Middle East and Africa, according to the report.

"China is the biggest country for smartphone sales, representing 30 percent of total sales of smartphones in the second quarter of 2015. Its poor performance negatively affected the performance of the [mobile phone market](#) in the second quarter," said Gartner analyst Anshul Gupta.

"China has reached saturation—its phone market is essentially driven by replacement, with fewer first-time buyers. Beyond the lower-end phone segment, the appeal of premium smartphones will be key for vendors to attract upgrades and to maintain or grow their market share in China."

The survey confirmed earlier reports on market share: Samsung remained the top seller with a 21.9 percent market share, but its overall handset sales fell five percent to 72 million units.

Apple boosted its [market share](#) to 14.6 percent as iPhone sales jumped to 48 million units.

Three Chinese makers rounded out the top five, Gartner found: Huawei at 7.8 percent, Lenovo at 5.0 percent and Xiaomi at 4.9 percent.

The Google Android operating system remained dominant with 82.2 percent of the market, but dipped from 83.8 percent a year earlier, Gartner said. Apple's iOS accounted for 14.6 percent.

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