

# Apple's iPhone sales slump while China's Huawei gains

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Apple's biggest cash cow, the iPhone, continued to suffer weaker sales around the world in first quarter of the year as Chinese tech giant Huawei flexed its muscles and claimed more market share from Apple

and its longtime rival, Samsung.

That's according to new data from tech research firm Gartner, which on Tuesday released its latest report on the state of the smartphone [market](#). According to Gartner, worldwide smartphone sales during the first quarter of the year dropped to 373 million units—a 2.7% decline from the same period a year ago. The main reasons cited for the drop were rising prices and slower rates of improvements in phone features that have caused consumers to extend the amount of time they are taking between phone upgrades.

Gartner said that Apple saw its iPhone sales fall to 44.6 million devices from 54.1 million in the first quarter of 2018, while its share of the worldwide market dropped to 11.9% from 14.1% a year ago. Gartner analyst Anshul Gupta said that even though Apple cut iPhone prices in several markets during the quarter, the move wasn't enough to stoke demand and raise sales.

"Apple is facing longer replacement cycles as users struggle to see enough value benefits to justify replacing existing iPhones," Gupta said.

The U.S., Apple's largest smartphone market, saw total smartphone sales fall by 15.8% during the first quarter.

Samsung managed to hold on to the top spot in the smartphone market with sales of 71.5 million phones, or almost 7 million fewer than in the first quarter of 2018, as its market share fell to 19.2% from 20.5%.

Huawei strengthened its position as the world's No. 2 [smartphone](#) company, as Gartner said the Chinese tech giant sold 58.4 million units, which was good enough for a 15.7% [market share](#). During the same period a year ago, Huawei sold 40.4 million smartphones. Gupta said Huawei saw particular strength in its two biggest business regions, China

and Europe.

Huawei's gains came before the escalation of trade war between the United States and China. President Donald Trump recently issued an executive order that almost completely bans U.S. [tech companies](#) from doing business with Chinese-owned businesses. That order doesn't officially go into effect until Aug. 19, but it could have an effect on Huawei's business operations.

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