

Strong laptop growth seen in China

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Mobile computing continues to post solid sales numbers in China, with Analysys International predicting 20-percent growth in the laptop product segment this year.

According to the company's recently released quarterly tracking report on mobile computers: "Domestic laptop shipments hit 698,000 in the second quarter of 2005, an increase of 22 percent over the same period a year ago. Unit sales increased by 7.1 percent over the 652,000 laptops sold between January and March."

Thomas Wang, an analyst with Analysys, said the Chinese laptop market "will maintain an overall growth rate of more than 20 percent in 2005."

The company is forecasting more than 3.372 million laptops will be sold in China this year, up from 2.375 million units in 2004. The firm is projecting 9.6 million laptops will be sold in China during 2009.

Analysys said in a news release this week the laptop segment generated a sales volume of 7.91 billion yuan (more than \$976.5 million) in the second quarter this year, increasing 12.1 percent compared with the same period in 2004. The sales figures were an increase of 5.1 percent on the 7.52 billion yuan (more than \$917 million) made in the first quarter of 2005.

Wang told United Press International the overall average selling price for laptops in China during the second quarter was 11,300 yuan (\$1,395). He also said business-use laptops had an ASP of 12,500 yuan (\$1,543),

while the ASP for models targeting individual consumers was 8,300 yuan (\$1,024).

The top brand-name vendor in the segment was Chinese PC maker Lenovo, with a 29.1-percent market share. Analysys said the company's dominance in the sector has grown since completing its acquisition of IBM's PC division; however, IBM's laptop line ThinkPad is now losing its cachet among buyers looking for a foreign model.

Dell ranked second with a 14.3-percent share, followed by Hewlett-Packard with 9.3 percent. Chinese media reported Friday that HP planned to reduce prices in an attempt to cut into Dell's market share. Earlier this week Dell held celebrations to mark its seventh anniversary in China as well as making its 10 millionth PC in China.

Japan's Toshiba took the fourth spot in China's laptop segment with an 8.7-percent market share, with Samsung from South Korea rounding out the list of top-five brand names, taking a 4.9-percent share.

Other competitors in the laptop market include PC Chinese firm Founder Technology with 4.6 percent, Taiwanese motherboard maker ASUS (3.8 percent), Sony with its Vaio line (3.5 percent) and Taiwan's Acer (3.2 percent).

Wang said a significant part of the market -- the 18.6 percent termed "others" in the Analysys quarterly report -- was still up for grabs.

"This includes some name brands, such as Haier, TCL, HEDY and LG, plus some do-it-yourself laptops, but the market share is very small," he said.

The Analysys report said the pattern of competition is changing with foreign laptop makers dominating the market and local vendors trying to

regain market share by "heating up price competition."

The company recommended that domestic vendors strengthen their research and development capabilities or cooperate with foreign companies in order to keep pace with changes in mobile computing, particularly wireless Internet connections.

The research firm also suggested foreign laptop makers should target third- and fourth-tier cities in China and retool their sales programs according to the demands of different demand segments.

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