

According to Gartner, global shipments of devices-- namely PCs, tablets and mobile phones-- will drop by -3.7% in 2019, in good part due to consumers continuing to hold on to old their smartphones, leading to a -3.2% decline in sales.

The analyst estimates the number of mobile phones in use around the world clocks at around 5 billion. The global smartphone market has reached a tipping point, following years of growth, and the lifetimes of premium phones (running on iOS and Android) continues to extend through 2019. The quality and features of such devices has improved "significantly," and has reached a level where users see high value in their devices beyond a 2-year time frame. As a result, consumers will not upgrade unless it will bring about "significant" new utility.

**Table 1**

**Worldwide Device Shipments by Device Type, 2018-2021 (Millions of Units)**

<b>Device Type</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Traditional PCs (Desk-Based and Notebook)	195.3	188.4	177.9	169.2
Ultramobiles (Premium)	64.4	67.3	71.8	76.4
<b>Total PC Market</b>	<b>259.7</b>	<b>255.7</b>	<b>249.7</b>	<b>245.6</b>
Ultramobiles (Basic and Utility)	149.6	140.9	137.3	135.7
<b>Computing Device Market</b>	<b>409.3</b>	<b>396.6</b>	<b>387</b>	<b>381.3</b>
Mobile Phones	1,813.40	1,743.10	1,768.80	1,775.50
<b>Total Device Market</b>	<b>2,222.70</b>	<b>2,139.70</b>	<b>2,155.80</b>	<b>2,156.80</b>

Source: Gartner (September 2019)

In the meantime, the share of 5G-capable smartphones will increase from 10% in 2020 to 56% in 2023. Major phone vendors are looking to 5G as a replacement booster, but less than 50% of communications service providers (CSPs) will have a commercial 5G network in place over the next 5 years. So far around a dozen of providers offer 5G services in a "handful" of markets, and they need to emphasise the performance features of 5G (such as faster speeds, improved network availability and enhanced security) if they want to encourage the return of smartphone

sales growth.

5G will also impact more than phones-- Gartner predicts the 5G endpoint installed base will grow 14-fold between 2020 and 2023, from 3.5 million units to 48.6m. The install base will reach 324.1m by 2028, although 5G will make just 2.1% of overall IoT endpoints. That said, 5G technology may be incorporated into premium ultramobile devices in 2020, making them more marketable to customers.

Moving on to the PC market, while global shipments see 1.5% Y-o-Y growth in Q2 2019 to 63m units, unclear external economic issues may still affect PC demand for overall 2019. Gartner estimates 2019 PC shipments will total 256m units, a -1.5% decline. Consumer PC shipments are down by -9.8% in 2019, reducing share of the total market to less than 40%. The collective increase in consumer PC lifetimes results in 10m fewer replacements through 2023, and with the peaking of Windows 10 migration business PCs will decline by -3.9% in 2020 after 3 years of growth.

“There is no doubt the PC landscape is changing,” Gartner concludes. “The consumer PC market requires high-value products that can meet specific consumer tasks, such as gaming. Likewise, PC vendors are having to cope with uncertainty from potential tariffs and Brexit disruptions. Ultimately, they need to change their business models to one based on annual service income, rather than the peaks and troughs of capital spending.”

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