Worldwide PC processor market hits record levels of unit shipments again in 4Q07, says IDC

Press release, January 22; Eric Mah, DIGITIMES [Tuesday 22 January 2008]

Worldwide PC microprocessor shipments grew 8.5% sequentially in the fourth quarter of 2007 to reach record levels for the second quarter in a row, according to new data from research firm IDC. Growth in overall unit shipments and stable average selling prices (ASPs) stimulated overall market revenues to grow 9.6% sequentially to US$8.7 billion.

Shipments of processors designed for PC servers stood out in the quarter, growing 17% sequentially. Shipments of processors for mobile PCs grew 10.3%, while processors for desktop PCs grew 6.5%. IDC analysis also reveals that, within each form factor, the percentage of high-end and mainstream processors grew at the expense of low-end processors. For example, in the desktop processor segment, high-end and mainstream processors represented 87.1% of processors shipped in the fourth quarter of 2007, up from 84.6% in the third quarter.

"Overall market pricing was very stable in the quarter," said Shane Rau, director of Semiconductors: Personal Computing research at IDC. "Since server and mobile processors carry a premium over desktop processors and they grew more than desktop processors, they buoyed the market average price. The fact that the high-end and mainstream segments within all form factor segments grew faster than the value segments kept pricing even firmer. We attribute this result to the aggressive pricing at which suppliers introduced new products in the second quarter combined with the demand for more robust PC configurations necessary to support Windows Vista. As the year progressed into the forth quarter, the pricing drew in more buyers who wanted these relatively high-end products to support this operating system."

For the full year 2007, total worldwide PC processor shipments grew 12.6% compared to 2006. Total revenues grew 1.7% to US$30.55 billion. The disparity of unit growth and revenues growth indicates the degree of price erosion that occurred early in the year 2007.

Vendor Highlights

Processor vendor shares in the fourth quarter did not change significantly from those in the third. On an overall unit basis, Intel earned 76.7% market share, a gain of 0.4%. AMD earned 23.1%, a loss of 0.4%. These shares are identical to the shares of the second quarter.

By form factor, market share changes were very modest. In the mobile processor segment, Intel earned 81.9% share, a gain of 1.1% and AMD earned 17.8%, a loss of 1.1%. In the PC server processor segment, Intel earned 85.4%, a loss of 0.6% and AMD earned 14.6%, a gain of 0.6%. In the desktop PC processor segment, Intel earned 72.1% share and AMD earned 27.7%; share changes were negligible.

Market Outlook

IDC has a conservative forecast for PC processor demand in the first and second quarters of 2008. "While processor shipments typically decline about 6% to 7% between the fourth quarter and the first quarter, economic concerns in the US and the effects on corporate and consumer systems purchases could mean a stronger sequential decline in first quarter 2008," added Rau. "However, the weakness in the US dollar effectively means a price discount for overseas markets that are driving PC unit demand, so this could have a mitigating effect."

IDC expects that mobile processors will continue their strong growth in 2008. "Despite how overall demand may affect them in the first half of 2008, mobile processors will continue on a double-digit growth track for the year and on track to surpass desktop processors in 2009, " said Richard Murphy, IDC Inquiry Analyst.

Worldwide overall PC microprocessor unit market share by vendor, 4Q06-4Q07, 2006-2007

Company	4Q06	1Q07	2Q07	3Q07	4Q07	2006	2007
Intel	74.55%	80.94%	76.65%	76.27%	76.68%	75.12%	77.46%

AMD	25.32%	18.64%	23.11%	23.46%	23.09%	23.06%	22.26%
VIA Technology	0.09%	0.42%	0.24%	0.26%	0.23%	1.42%	0.28%
IBM	0.00%	0.00%	0.00%	0.00%	0.00%	0.18%	0.00%
Freescale	0.04%	0.00%	0.00%	0.00%	0.00%	0.21%	0.00%
Transmeta	0.000%	0.000%	0.000%	0.000%	0.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Data represent vendor unit share for microprocessors designed for use in a desktop PC, mobile PC, or PC server and shipped for revenues by the processor vendor. Shipments by vendors of RISC and EPIC microprocessors for workstations and high-end servers are not included in this table. Shipments by vendors of processors which are used in non-PC applications (such as VIA's Eden embedded platform) are not included in this table
Source: IDC, compiled by Digitimes, January 2008

Worldwide desktop PC microprocessor unit market share by vendor, 4Q06-4Q07, 2006-2007

Company	4Q06	1Q07	2Q07	3Q07	4Q07	2006	2007
Intel	70.84%	78.31%	72.13%	72.27%	72.06%	70.91%	73.48%
AMD	29.04%	21.04%	27.62%	27.46%	27.73%	26.68%	26.19%
VIA	0.12%	0.65%	0.24%	0.28%	0.21%	2.13%	0.33%
IBM	0.00%	0.00%	0.00%	0.00%	0.00%	0.27%	0.00%
Freescale	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Form factor is determined by the intent of the processor supplier and not the end device into which the processor is incorporated. Shipments by vendors of RISC and EPIC (Itanium) microprocessors for workstations are not included in this table. Shipments by vendors of processors which are used in non-PC applications (such as VIA's Eden embedded platform) are not included in this table
Source: IDC, compiled by Digitimes, January 2008

Worldwide PC server microprocessor unit market share by vendor, 4Q06-4Q07, 2006-2007

Company	4Q06	1Q07	2Q07	3Q07	4Q07	2006	2007
Intel	80.46%	84.65%	82.72%	80.80%	81.90%	83.22%	82.33%
AMD	19.38%	15.24%	17.01%	18.92%	17.82%	15.85%	17.43%
VIA	0.04%	0.11%	0.27%	0.27%	0.28%	0.28%	0.24%
Transmeta	0.001%	0.000%	0.000%	0.000%	0.00%	0.01%	0.00%
Freescale	0.12%	0.00%	0.00%	0.00%	0.00%	0.64%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Form factor is determined by the intent of the processor supplier and not the end device into which the processor is incorporated. Shipments by vendors of RISC and EPIC (Itanium) microprocessors for mobile workstations are not included in this table. Shipments by vendors of processors which are used in non-PC applications (such as VIA's Eden embedded platform) are not included in this table
Source: IDC, compiled by Digitimes, January 2008

Worldwide PC server microprocessor unit market share by vendor, 4Q06-4Q07, 2006-2007

Company	4Q06	1Q07	2Q07	3Q07	4Q07	2006	2007
Intel	76.71%	84.51%	86.81%	86.07%	85.43%	75.60%	85.73%
AMD	23.24%	15.49%	13.19%	13.93%	14.57%	24.17%	14.27%
IBM	0.06%	0.00%	0.00%	0.00%	0.00%	0.24%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Form factor is determined by the intent of the processor supplier and not the end device into which the processor is incorporated. This table represents shipments of processors designed specifically for x86 and PowerPC-based servers (PC servers). Examples of such processors include Intel Xeon and AMD Opteron. This table does not represent shipments of processors designed for desktop PCs (Pentium 4 or Pentium D) or mobile PCs (Core 2 Duo) that are shipped in servers. Shipments by vendors of RISC and EPIC (Itanium) microprocessors for workstations and high-end servers are not included in this table. Shipments by vendors of processors which are used in non-PC applications (such as VIA's Eden embedded platform) are not included in this table
Source: IDC, compiled by Digitimes, January 2008

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