

## IDC: European Smartphones Set for Massive Decline

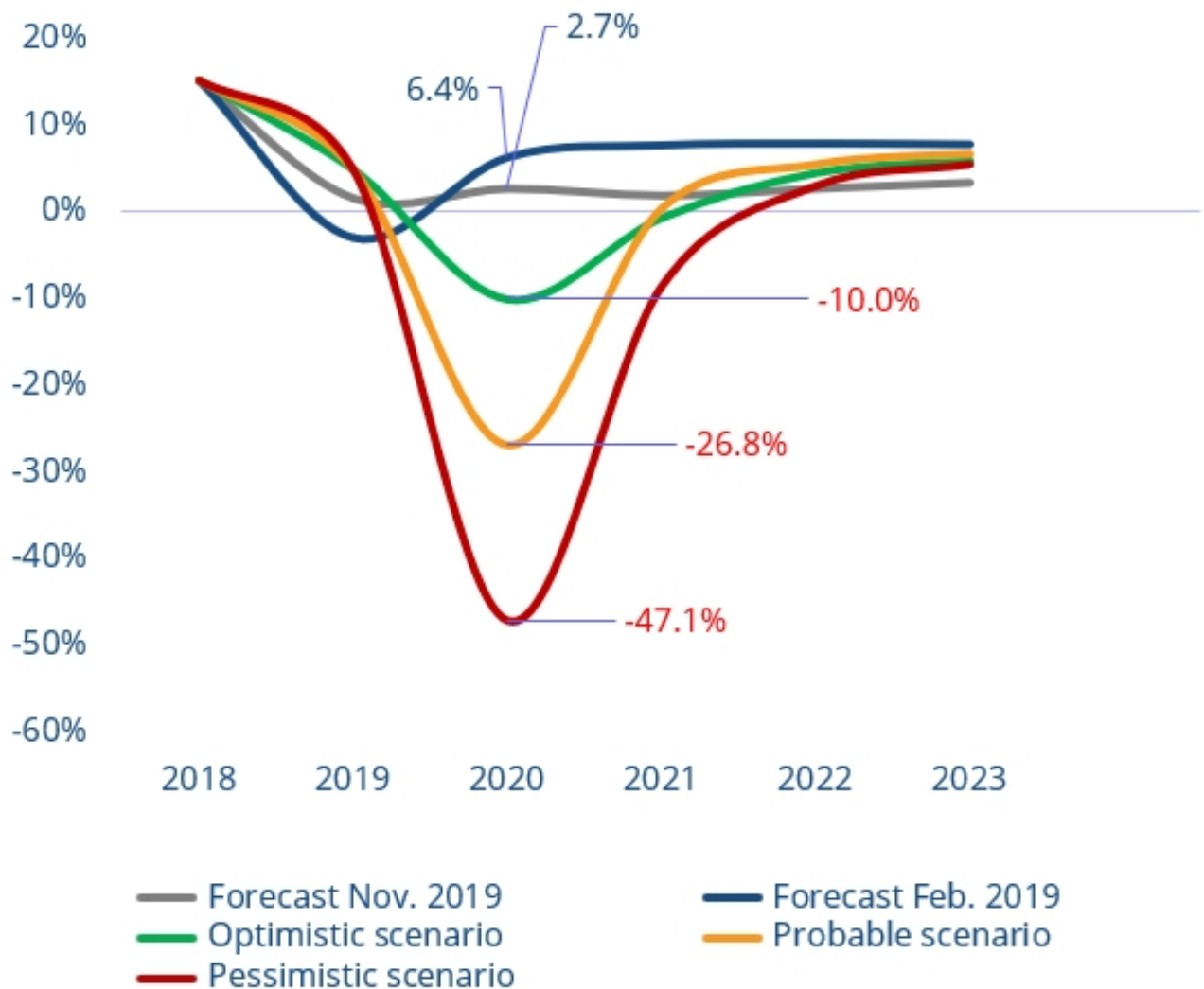
Written by Frederick Douglas  
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According to IDC, the current national lockdowns put in place to combat the spread of the coronavirus will lead to the value of the European smartphone market falling by over -25% in 2020.

### Forecast of Smartphone Value in Europe

#### Value Shipments, \$, YoY Growth (Annual)



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The -26.8% decline comes from the "probable" scenario the analyst forecast. An optimistic scenario sees the market falling in value by -10% in 2020, while the pessimistic version has it drop by nearly -50%. The probable and pessimistic scenarios represent the sharpest reversal the European phone industry has seen in the 20 years IDC has been monitoring the market. So far, the sharpest drop the region has seen took place at the time of the financial crisis, when the value of the European phone market fell by -6.3% in 2008 and -13.1% in 2009 in dollar terms. According to Eurostat, the European GDP contracted by over -4% in 2009.

"In addition to the increasing number of economic forecasts that the drop in GDP in major European countries could be double that seen in 2008, if lockdowns need to continue towards the summer we have to take into account other factors in the current situation," IDC adds. Much of phone retail is shut, while for the rapidly growing numbers of newly unemployed their priority this year will be just getting by."

As one might assume, the biggest impact will be in the countries worst hit by the pandemic, namely Italy and Spain. However the probable scenario sees "nearly all" European markets drop by around -20%. In Q1 2020 the market was affected by supply disruption, but while such issues are now "generally" over, the market faces collapsing demand.

The crisis has lead to a drop in currencies outside the eurozone, including several in E. Europe. The fall in demand for oil has precipitated another price crash, pushing the Russian ruble down by -25% and bringing a big reversal in the Norwegian krone. In many markets, including Russia, the value of the phone market drops in line with adverse changes in the exchange rate, making another "significant" factor in the 2020 contraction of the European market.

Go [Phone Industry in Europe Confronts Prospect of Decline of a Quarter or More, Says IDC](#)