Global Computer Hardware Manufacturing Industry Market Research Report from IBISWorld has Been Updated

Despite increasing sales of computers over the last five years, falling computer prices have been impeding revenue growth for the industry; in addition, firms have had to face rising competition from tablets. For these reasons, industry research firm IBISWorld has updated a report on the Global Computer Hardware Manufacturing industry to its growing report collection.

Los Angeles, CA (PRWEB) March 23, 2013 -- In the five years to 2013, IBISWorld estimates that revenue for the Global Computer Hardware Manufacturing industry will decline at an annualized rate of 0.7% to $608.1 billion, with 2.1% growth in 2013 alone. Although the volume of computer sales has increased over the past five years, industry revenue has fallen due to a decline in the average selling price of computers. Nevertheless, the demand for computers and computer peripherals has grown due to the explosion in digital information and content. “Worldwide PC shipments are expected to grow at an annualized rate of 7.5% in the five years through 2013, which will also promote growth in sales of associated PC peripherals, such as printers and monitors,” says IBISWorld industry analyst Andrew Krabeepetcharat. Furthermore, rising disposable income in newly industrialized markets has caused the demand for information technology to rise in countries like China.

Over the past five years, portability has become a primary concern for consumers. Consequently, the demand for traditional desktop computers has dissipated because more consumers are opting for notebooks, whose prices have become more in line with desktops. Nevertheless, there is a new kid on the block. Tablet computers, which are not considered part of this industry, have started to eat into the sales of desktops and notebooks, fueling already fierce price competition. According to Krabeepetcharat, The falling price of computers has caused profit margins to decline. In order to mitigate declining margins, computer hardware manufacturers have increasingly moved production facilities to low-cost countries, including China. In spite of this, the industry's profit remains thin. In 2013, IBISWorld estimates that profit margins (defined as earnings before interest and taxes) represent just 3.0% of industry revenue.

IBISWorld estimates that Global Computer Hardware Manufacturing industry revenue will grow in the five years to 2018. During that time, the industry will benefit from continued economic recovery and growth in digital information and content. Furthermore, product innovations and growing demand for information technology in emerging markets will also provide the industry with a platform for growth. However, rising demand for tablet computers will continue to hamper the industry's growth. Market shares vary by region. Many PC brand owners in this industry, including Dell, HP, Acer and Lenovo, have outsourced at least some of their manufacturing to contract manufacturers. As brand owners continue to outsource production to manufacturing companies located in countries with low production costs, those manufacturing firms have gained market share. For more information, visit IBISWorld’s Global Computer Hardware Manufacturing industry report page.

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IBISWorld industry Report Key Topics
Computer hardware manufacturers produce and assemble desktop and laptop computers, computer storage devices, computer terminals and computer peripherals. While internet technology devices like servers, modems and routers are included, telecommunications devices like phones, cell phones and tablets excluded.

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