

TrendForce: Server Growth May Slow Down in H1 2019

Written by Frederick Douglas
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According to TrendForce's DRAMeXchange the global server market sees 5% growth on shipments reaching 12.42 million units in 2018, with brands going through a "noticeable" recovery in Q2 2018 after a slight decline in Q1 2018.

Table: Top Five Server Vendors by Global Shipment, 2018-2019

Rank	Company	Market Share	
		2018	2019
1	Dell EMC	16.7%	15.6%
2	HPE	15.1%	14.3%
3	Inspur	7.8%	8.8%
4	Huawei	6.4%	7.7%
5	Lenovo	5.7%	5.0%

Source: DRAMeXchange, Dec., 2018

Shipments peaked in Q3 2018, reaching 3.2m units. However the analyst warns shipment growth is set to slow down in 2019, reaching 2% in H1 2019 as stock-ups for migration to the latest processor platform began earlier than expected. The market may have a new demand moment in H2 2019, following the release of new platforms like Gen2 from Intel or AMD's Rome.

Driving the 2018 server market are N. American branded server suppliers, namely market leaders Dell EMC and HPE, contributing to over 30% of global server shipments. Enterprise servers make the majority of shipments, while datacentre servers make 35% of shipments. The continued growth is the result of internet datacentre demand being less seasonal.

In 3rd place in the global server vendor rankings is Inspur, with shipments reaching 1m units. Around 30% of Inspur shipments go China, thanks to the government encouraging Chinese companies to adopt servers made by domestic brands, as well as increasing orders from datacentres. As such, the majority of Inspur ODM business and server orders comes from the likes of Baidu, Alibaba and Tencent. DRAMeXchange says Inspur will focus on developing new

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customers in 2019, especially in N. America.

Huawei registers record 20% shipment growth in 2018 due to stable orders from telecom operators. Around 70% of Huawei servers go to the Chinese market, with the rest going to European car makers and telecom operator server (5G and telecom server) and datacentre construction.

Go [Global Server Shipments to Grow by 5% YoY in 2018, but Growth May Slow Down in 1H19, Says TrendForce](#)