

Press release

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South African smartphone revenues grow 3.9% in Q2 2019 -- GfK point of sales data

Negative growth in IT product and office equipment sales drag down South Africa's technical goods market

Johannesburg, August 26, 2019 – Smartphone revenues grew 3.9% year-on-year in the second quarter of 2019 and unit sales dropped 4.9% to just under 3 million units in the same timeframe, continuing the same trend seen in the previous two quarters. That's according to newly released point of sale tracking data from [GfK South Africa's Weekly Monitor](#), which indicates that the consumer technical goods market as a whole grew at around 1.3% compared to the same quarter in 2018.

The major domestic application and consumer electronics segments both performed well in the quarter, with year-on-year revenue growth of 5.2% and 6.7% respectively. However, revenue contractions of 7.6% in office equipment and 7.1% in consumer IT contributed to a quarter of weak growth for the technical goods market.

Says Kali Moahloli, Head of Sales and Retail, GfK South Africa: "We have seen relatively weak performance in the smartphone sector for three consecutive quarters, reflecting both market saturation and a difficult economic climate. The increase in the value of the market comes primarily from exchange rate volatility that has resulted in higher prices on devices which have been passed on to consumers, rather than real market growth. We can expect this market to remain slow until exciting new high-end products hit the market or manufacturers are able to reduce retail pricing."

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In the consumer electronics segment, panel televisions showed a 3.1% growth in unit sales year-on-year, while retail value expanded nearly 8% to

R1.5 billion. Ultrahigh Definition (UHD) technology was the star performer in the panel TV segment, recording 41% growth in value and 51% growth in units. It contributed R255 million in revenues to the market. However, audio home systems, receivers and mini/Bluetooth speakers experienced a double-digit decline in value.

Plummeting revenues from tablets, (down 26%), storage (down 18%) and mobile computers (down 6%) all contributed to the poor showing for consumer IT.

On a more positive note, revenues from the desktop computer and monitor markets went up by 20% and 18% respectively. Photography products had another difficult quarter, with a 63% decline in value, while small domestic applications enjoyed modest growth of 1.6%.

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