FRAMINGHAM, MA – The worldwide PC market is expected to grow 5% year-over-year in 2012, in what is likely to be a challenging year, says **International Data Corp**. Nearly 383 million PCs will ship into the market this year, a slight improvement over the tepid growth seen in 2011, as PCs continue to vie for growth amid intensifying competition from alternative devices, global political uncertainty, and a still bumpy economic roadmap, says IDC.

In addition to rising consumer saturation in mature regions, economic uncertainty, the launch of Windows 8 and growth of competing tablet devices are key factors affecting the market outlook, the firm notes. With the threat of a relapse into recession in several markets adversely affecting public spending and business confidence, the forecast for several key segments has been reduced, especially among small and medium-sized firms. Windows 8 could help reinvigorate a consumer market that has lost a degree of enthusiasm in recent years. However, questions about the release date, functions, and pricing for Windows 8 limit the contribution the new operating system may make in 2012. Consumer PC shipments are expected to see modest growth in 2012 with the revamp of a sleeker Wintel platform, fueling additional growth in 2013 through 2016. IDC expects the forecast period to culminate with total PC shipments topping 528 million units in 2016.

“The first quarter PC volume results showed an uptick over our forecast,” said Jay Chou, senior research analyst at IDC. “However, much of the volume was due to a faster-than-expected recovery of hard disk drive supply related to flooding in Thailand. PCs continue to face pressure from a weak economic environment and growing competition. Consumer sentiment could be revived with UltraBook or Ultrathin systems, provided the right price is reached. More price-cutting in the Android tablet landscape could free up some budget for PC purchases, but could also focus consumers on tablets rather than PCs. Ultimately, we expect modest PC growth this year, as the industry works through the transition to Win8 and related devices.”

“In the United States, the PC market will continue to witness the perfect storm over the next two quarters before we see any meaningful resumption of growth. Most consumers and businesses in need of PCs already have PCs and see no immediate reason to upgrade or expand. The market is also evolving amid a heated presidential election campaign, adding more stress to consumer and business confidence, with both segments refraining from spending or hiring. The good news, however, is that the forthcoming release of Windows 8 promises to bring new classes of products that could lead to a stronger refresh cycle as the year ends,” says David Daoud, research director, Personal Computing at IDC.

IDC continues to have a conservative view toward PC purchases in mature markets, which are generally expected to return to growth mode in 2012 after a contraction in 2011. Meanwhile, headwinds from the Euro crisis are increasingly being felt in the emerging markets, the previous stalwarts of growth. The outlook for emerging markets has become more mixed with Central Europe, Middle East and Africa increasing its outlook, while Asia/Pacific (excluding Japan) and Latin America will experience slower growth in the short term.