



# IT Market Alert June 2025

Welcome to this month's IT Market Alert, delivering you key market knowledge viewed during **May 2025**. Get more from your IT procurement with KnowledgeBus.

The largest number of price increases happened on May 26<sup>th</sup> with **54,764**

- European smartphone shipments fall
- DDR5 price hikes easing
- Processor sales continue meteoric global rise

**Context World's May 2025 analysis** reveals a tale of two markets in the UK, with traditional distribution struggling whilst ecommerce channels surge. UK distributors recorded a 4% YoY revenue decline in Q1, with March particularly disappointing at a 6% fall despite traditionally strong end-of-financial-year spending. Small- to medium reseller revenues fell 0.6% YoY whilst corporate resellers declined 13%, reflecting continued high borrowing costs and lacklustre business investment. However, UK e-tailer businesses demonstrated remarkable resilience with 12.1% YoY growth in Q1 2025, accelerating to 29.1% in Q2. Sales to UK retail chains soared 16.4% YoY in Q1 and 29.5% YoY in Q2.

Context expects the UK to return to growth in the second half of the year after two successive quarterly declines, as part of broader European recovery trends. The cybersecurity market continue thriving with 23% YTD annual revenue growth by the end of April, driven by European regulations and increased cyber attacks affecting UK retailers and major fashion brands. The UK turned around negative Q1 growth to achieve 4% YoY growth YTD in cybersecurity. Context revised its European distribution sales forecast upward to 4.4% YoY revenue growth for FY 2025, with April beginning Q2 positively at 6.6% annual growth.

The UK's only fully Certified IT Price Benchmarking Solution – Find out more at [www.knowledgebus.co.uk](http://www.knowledgebus.co.uk)

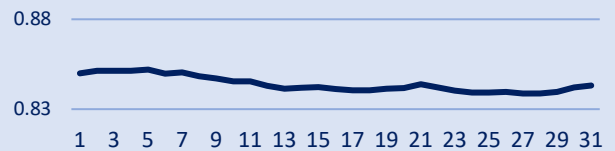


## Exchange Rate

EUR/GBP weakened throughout May, falling from an opening rate of 0.8533 to a closing rate of 0.8412. The month began with the euro at its strongest position on followed by a sustained downward trajectory that reached its lowest point on May 29th at 0.8377. The currency pair saw a sharp decline through mid-May as the rate fell below 0.8450, and a volatile sideways movement in the final week with some recovery from the monthly lows.

The euro fared better against the dollar, finishing close to its opening rate of 1.1343 at 1.1339. The month saw significant volatility. After modest strengthening in the first week to reach 1.1360 on May 7th, the pair saw a sharp decline that hit the monthly low of 1.1106 on May 12th. It then saw a sustained recovery from mid-May onwards that culminated in the monthly high of 1.1381 on May 26th. The final week showed some consolidation with minor volatility, ending near the month's opening levels.

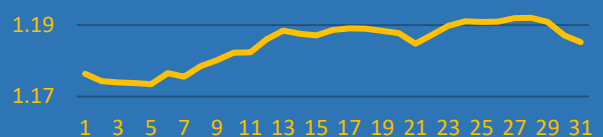
### EURO POUND (EUR) PER 1 BRITISH POUND (GBP)



### US DOLLAR (USD) PER 1 EURO (EUR)



### BRITISH POUND (GBP) PER 1 EURO (EUR)



### US DOLLAR (USD) PER 1 BRITISH POUND (GBP)





## Price Changes and News Through May 2025

### Phones and Tablets

European smartphone shipments fell 2% to 32.4m units in Q1 this year, said Canalys. Weak entry-level demand was mostly to blame for the decline, with sub-€200 device shipments falling to their lowest numbers in over a decade. Apple and Samsung are capturing more shipments, warned analysts, which is making others anxious about long-term market dynamics and operational margins. Devices priced above £680 reached a record-high share of 32%, primarily driven by Apple and Samsung.

Samsung retained the top spot in Europe, increasing shipments slightly to 12.2m units thanks to the Galaxy S-series and some aggressive promoting. Apple ranked second with a healthy 10% growth in iPhone shipments to 8m units driven by the iPhone 16e. Xiaomi, in third place, saw shipments fall 2% to 5.3m, followed by Motorola and Google. This is the first time the latter has made the top five.

Canalys expects a total 3% drop in the European smartphone market this year, with a potential return to 1% growth in 2026.

The tablet market around the world told a better story, growing 8.5% YoY in Q1 to 36.8m units. Consumer and education refresh cycles helped here.

The Chinese market got a bump thanks to the Lunar New Year, when consumer demand typically spikes. Government retail subsidies gave that demand even more momentum. In the US, tablet imports fluctuated due to tariff uncertainties. Many took the opportunity to replace ageing pandemic-era devices. The education sector there faces budget threats due to Department of Education cutbacks.

Apple kept the top spot with a 14% shipment increase to 13.7m units. Then came Xiaomi, which beat Lenovo for the first time with 56% annual growth to 3.1m units.

### Traditional PCs

[IDC predicted](#) a 4.1% YoY growth in 2025 PC shipments to 274m units, thanks in part to President Trump's introduction and subsequent delay in tariff activities. Tariff exemptions and a 90-day pause has bolstered shipments in the US, the company pointed out. The traditional PC market in EMEA will grow through Q2 2025 this year, spurred by the end of Windows 10 support and post-COVID refresh cycles, IDC said.

However, we're not off the hook yet; IDC points to macroeconomic worries and falling consumer sentiment as a stumbling block for this segment globally in 2H 2025. The shine will come off the global PC market next year with a slight downturn due to the post-Windows 11 migration hangover, it warned.

In Europe, ecolabels like EPEAT are becoming more important for PC customers as they embrace environmental, social, and governance (ESG) goals, [said CONTEXT Research](#). Consumer demand for eco-friendly products is on the rise. 82.5% of PCs sold in the top five markets (which include the UK) during Q1 achieved an EPEAT rating, it said, with 48% carrying the TCO Certified label.

In other news, [ASUS is to tempt the business market with free AI](#) on its PCs.



## Premium Ultramobiles & Wearables

Spending on AR/VR will grow at a 16% CAGR to reach £6.20bn by 2029, [said IDC](#). The consumer sector will drive that growth, although enterprise adoption will play a part, the analyst company added. While economic volatility is dampening broader EMEA adoption of this tech, remote collaboration, training, and immersive experiences will help, especially in engineering, healthcare, manufacturing, and retail, which will account for over half of AR/VR spending this year.

Western Europe is the largest market in this category, but the Middle East and Africa are on the rise. That region will grow fastest at over 20% CAGR.

Mixed reality (MR) headsets will be most popular, to the point where VR headsets will stop shipping by mid-2025, IDC warned.

## Processors, MEMS, Semiconductors

The Semiconductor Industry Association reported an 18.8% YoY increase in global semiconductor sales to £123.82bn in Q1 2025, although QoQ sales fell 2.1%. March 2025 sales rose 1.8% to £41.27bn from February 2025's £40.53bn. YoY sales growth has been higher than 17% for 11 consecutive months, driven by a 45% increase in the Americas, it added.

European sales were characteristically softer, declining 2.0% YoY in March, the SAI said, but month-to-month sales there were up 5.7%.

## Memory

Spot price increases in DDR5, which are so high that they're sometimes exceeding contract prices, are slowing down, [said TrendForce](#). It expected overall DRAM price hikes to soften in Q3. Spot traders are more willing to accept quotes for DDR4 products compared to DDR5. This will align spot and contract prices.

DDR4 prices are also hot. The average spot price for DDR4 1Gx8 3200MT/s chips rose 12.8% from £1.61 to £1.82 from May 21-28, TrendForce added.

## Storage

NAND flash prices have reached high levels following increases since late February, but buying momentum is cooling as market sentiment declines, [TrendForce said](#). Spot prices for 512Gb TLC wafers slightly decreased by 0.18% to £2.01, reflecting a cautious market attitude. The overall trend indicates a wait-and-see approach among buyers in the NAND market due to weak momentum, it added.

SSD demand will spike in Q3 this year, powered by the AI boom, [TrendForce reported](#). The enterprise SSD market will fall into under-supply, boosting prices up to 10% QoQ, it predicted.

Samsung will end MLC NAND shipments by June, [said TrendForce](#).

[Seagate has shipped](#) 40Tb HAMR hard drives, but they won't go into full-scale production until early next year.





## Display

Global OLED monitor shipments soared 175% YoY to 507,000 units in Q1, [said TrendForce](#). It expects market momentum to continue, as brands launch new models, with Q2 shipments hitting 650,000 units. Demand for 27-inch UHD models is especially strong, it reported.

Shipments will spike 81% YoY for the full year to 2.58m units, pushing OLED penetration to 2%.

Samsung maintained its market leadership position with over 22%, primarily driven by flagship 49-inch models that accounted for 40% of its OLED monitor shipments. The company expects its upcoming 27-inch UHD model to become its best-selling OLED monitor size as that segment gains traction.

ASUS jumped from fourth place to second in Q1, narrowing the gap with Samsung to less than one percentage point. MSI secured third place with 14% market share through aggressive expansion into new sales channels and multiple OLED model launches, resulting in OLED monitor shipments up 36-fold compared to the previous year. LG Electronics ranked fourth with 13% market share, while Dell temporarily slipped to fifth place with 11% share.

## Printers

HP's printing division revenue [declined 4%](#) YoY to £3.1bn in its Q2 results. Commercial printing revenue dropped whilst consumer printing showed modest resilience. The broader market context shows the global home printer market valued at £6.3bn in 2024, projected to reach £8.3bn by 2033 with a 3% CAGR, while A4 laser printer demand valued at £10.8bn in 2024 is forecast to reach £14.6bn by 2033, growing 3.4% annually.

## Consumables

Those same HP results showed supplies revenue falling 5% as the traditional hardware-plus-consumables model continued to face pressure.

## Network Products

The high-end router market officially emerged from its downturn in Q1, posting its first positive YoY growth since Q3 2023, according to Dell'Oro Group. The market expanded 10% YoY during the quarter, ending a contraction phase that began in Q3 2023 due to excess customer inventory and deteriorating macroeconomic conditions.

Growth was broad-based across all segments, particularly in service provider core and edge routers, with every major region contributing to the revenue increase.

Four vendors maintained market shares exceeding 10%: Huawei led performance with 23% YoY revenue growth, gaining three percentage points of market share. Juniper and Nokia also performed strongly with 16% and 14% growth respectively, whilst Cisco was the only top-four vendor posting revenue below prior-year levels, though it did achieve core router revenue growth both YoY and QoQ growth through success with its routed optical networking solution featuring 400 Gbps ZR/ZR+ optics. The stronger-than-anticipated Q1 performance prompted Dell'Oro to raise its 2025 market outlook, though uncertainty remains elevated due to potential US government initiatives that may increase costs and slow economic growth.

## Monthly Statistics

Price increases ranged from a low of 5,989 on May 7th to a peak of 47,598 items just two days before on May 5th, with an average of 21,057 daily price increases. Notable spikes occurred early in the month and mid-month (May 16th, with 41,055 increases).

Price reductions were equally dynamic, fluctuating between 3,304 items on May 8th and a substantial peak of 54,764 items (May 26th), averaging 21,576 daily decreases.

Stock replenishment displayed the most extreme variance, from just 546 units on May 8th to a massive 26,971 units on May 22nd, averaging 5,878 daily additions. The low on May 8th coincides with the highest stock decreases, suggesting a potential inventory shortage or delayed shipment. Stock reductions ranged from their low of 2,937 units on May 6th to the peak of 18,139 units on May 8th, with an average daily decrease of 11,717 units.

