



IT Market Alert March 2025

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

The largest number of price increases happened on February 27th with **50,295**

- Steady growth in phone shipments expected this year after strong 2024
- NAND flash market suffering significant oversupply
- Strong AI spending to bolster Ethernet switch sales

The tech industry continues to go from strength to strength, with strong growth reported in areas ranging from phones to semiconductors. While the UK has so far avoided any direct effects from Trump's whiplash tariffs policy, the Chamber of Commerce nevertheless blamed its 2025 growth forecast downgrade from 1.3% to 0.9% partly on 'economic uncertainties' around global trade.

Tech channel reseller counts are decreasing across Europe, according to CONTEXT Research, but the average revenue per reseller is increasing (especially in the UK, which led at €162,849 in December). This shows that remaining resellers are performing well, the company said.

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Exchange Rate

February saw EUR/USD generally trend upward before a late-month pullback. The month began with a low of 1.0274 on Feb 3, climbing to a peak of 1.0497. It gave back some gains in the final week, sliding down to 1.0411 by the end of the month.

Conversely, EUR/GBP trended downwards. It started the month in the low 0.83 range and experienced an early peak—reaching approximately 0.8368 on Feb 6. The pair lost momentum, noticeably weakening against the pound by late February, ending the month at its low of 0.8260.

Trade policy and geopolitics set the tone mid-month: a delay in U.S. President Trump's planned import tariffs (easing trade war fears) and optimism about a possible Russia-Ukraine ceasefire helped the euro rally against the dollar in early-to-mid February.

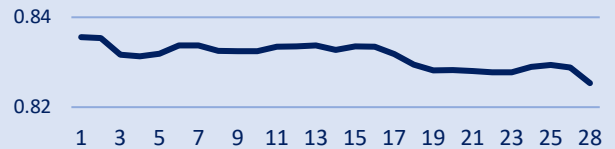
On 6 February, the Bank of England cut interest rates by 0.25%, initially pressuring sterling and allowing the euro to gain ground briefly. Later in the month, strong UK economic data, including a robust GDP report, provided support for the pound. In contrast, a [dovish stance](#) from the European Central Bank and softer Eurozone indicators helped keep the euro subdued.

Meanwhile, U.S. economic data added pressure on the dollar – January retail sales [fell](#) more than expected and consumer confidence also [dropped](#), reinforcing speculation that the Federal Reserve might consider rate cuts.

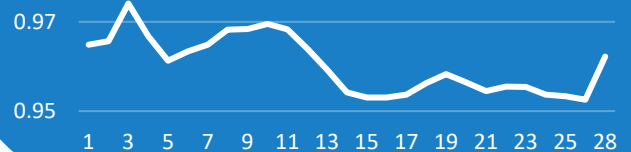
These softer U.S. data points kept the dollar on the back foot and supported the euro. On the European side, news that Germany was mulling increased fiscal spending improved sentiment for the euro slightly, providing a modest tailwind during the month.

However, late in the month a high-profile meeting between President Trump and Ukraine's President Zelenskyy ended poorly, dashing hopes of a peace deal and prompting a flight to safety that pulled the euro down from its highs.

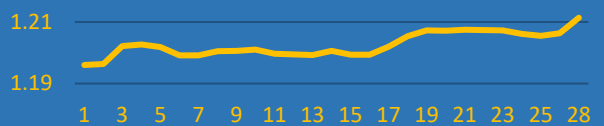
EURO POUND (EUR) PER 1 BRITISH POUND (GBP)



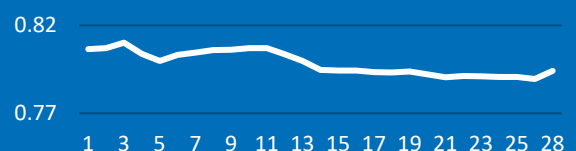
US DOLLAR (USD) PER 1 EURO (EUR)



BRITISH POUND (GBP) PER 1 EURO (EUR)



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





Price Changes and News Through February 2025

Phones and Tablets

[Omdia](#) expected global smartphone shipments to grow 7.1% to 1,223.1m units in 2024, marking a recovery from the previous year's decline. In the fourth quarter of 2024, shipments hit 328m units, a 2.8% increase, continuing a trend of five consecutive quarters of YoY growth. Apple maintained its position as the largest smartphone manufacturer, despite a slight decline in shipments, attributed to increased demand for refurbished devices and challenges in the Chinese market. Samsung, on the other hand, experienced a 1.1% drop in total shipments for the year, primarily due to a slowdown in the mid-range market.

Xiaomi showed significant growth with a 15.4% increase in shipments, bolstered by successful product launches and expansion into new markets. Vivo also performed well, achieving a 14% increase in shipments, focusing strategically on key markets like China and India. Oppo Group saw overall growth driven by its Oppo brand, while the OnePlus brand faced challenges. Other Chinese brands like Honor, Lenovo, and Huawei achieved double-digit growth, benefiting from an increase in demand for budget smartphones.

Overall, the smartphone industry is recovering, with expectations for steady shipments in 2025, although growth rates may not match those of 2024.

Traditional PCs

[IDC](#) revised its forecast for PC sales, predicting a slight increase in global shipments to 273m units in 2025, up 3.7% from 2024. This adjustment is attributed to U.S. tariffs on Chinese imports and declining consumer demand.

Despite these challenges, the PC market is expected to grow slowly, with annual growth remaining below 1% through 2029. Workstations are anticipated to maintain steady demand, while AI-powered PCs are projected to gain traction by 2026 as technology and ecosystem improvements occur.

Conversely, tablet sales are expected to decline by 0.8% in 2025, with a gradual decrease expected throughout the decade due to market saturation.

Price increases from tariffs and weak consumer demand are impacting the PC market, according to IDC, which expects consumer PC and tablet shipments to rise slightly by 0.2% in 2025, totalling 236.7m units. The commercial sector, excluding education, is expected to grow by 4.3% in 2025, driven partly by the end of Windows 10 support. Overall, while there are some positive indicators, economic challenges continue to weigh on the market.



Premium Ultramobiles & Wearables

[ABI Research](#), expects significant growth in the wearables market, driven primarily by smartwatches and smart rings, as consumers continue to prioritise healthcare following the pandemic. ABI Research forecasts global wearable shipments to grow from 375m in 2023 to 591m by 2029, with a compound annual growth rate (CAGR) of 7.7%.

Smartwatches currently dominate the market, comprising over 40% of shipments, bolstered by popular models like the Apple Watch and innovations in health monitoring features. In contrast, smart rings are emerging as a convenient alternative for health tracking and contactless payments, projected to reach 70.5m shipments by 2029.

Despite their growing popularity, wearables have not yet fully integrated cellular connectivity, which could enhance real-time data capabilities, especially in healthcare. The next phase of growth will likely focus on improving device functionality, including better battery life and more advanced health metrics. The market for fitness bands may decline as their functionalities overlap with other devices.

Processors, MEMS, Semiconductors

Global 2024 semiconductor sales reached a record high of \$627.6bn, up 19.1% increase from 2023, [said the Semiconductor Industry Association](#). The fourth quarter alone saw sales of \$170.9bn, up 17.1% YoY.

Notably, sales surged in the Americas (44.8%) and China (18.3%), while revenues in Europe and Japan dropped. The U.S. aims to triple its domestic chip manufacturing capacity by 2032 to meet rising global demand and strengthen supply chains. Logic products led sales at \$212.6bn, followed by a significant rise in memory products, which increased by 78.9% to \$165.1bn. DRAM products achieved the highest growth rate with an 82.6% increase.

The semiconductor market will continue its growth trajectory with double-digit increases expected in 2025, the SIA added.

Memory

[TrendForce's latest research](#) indicates that global DRAM industry revenue reached over \$28bn in the fourth quarter of 2024, reflecting a 9.9% QoQ increase. The company attributes this growth primarily to rising contract prices for server DDR5 and increased shipments of HBM.

Despite a general downward trend in contract prices across various applications, strong demand for high-capacity server DDR5 from major American cloud service providers helped maintain pricing stability. However, TrendForce anticipates a seasonal Q1 slowdown, resulting in a decline in DRAM bit shipments, as PC OEMs and smartphone vendors work to clear inventory.

Samsung maintained its position as the leading DRAM supplier with \$11.25bn in revenue, though it faced challenges due to reduced demand for LPDDR4 and DDR4. SK Hynix reported significant growth with \$10.46bn in revenue, driven by increased HBM3e shipments. Micron also performed well with \$6.4bn in revenue, benefiting from server DRAM and HBM3e sales.

Taiwanese manufacturers saw revenue declines due to weakened consumer DRAM demand and heightened competition from Chinese suppliers. Notably, Nanya Technology and Winbond reported significant revenue drops, highlighting the challenges faced by the market.



Storage

[TrendForce](#) reported oversupply in the NAND Flash market, causing price declines and financial difficulties for suppliers. However, a significant recovery in prices is anticipated in the second half of 2025 due to several factors. Key contributors to this expected turnaround include proactive production cuts by manufacturers, inventory reductions in the smartphone sector, and rising demand due to AI applications. TrendForce revised demand growth for NAND Flash down from 30% to 10-15%, prompting suppliers to adjust their production strategies.

In 2025, manufacturers are implementing decisive production cuts to manage bit supply growth effectively. China's trade-in subsidy policies have also boosted smartphone sales, helping to reduce NAND Flash inventory. On the AI front, NVIDIA's increased shipments of Blackwell-series products and advancements in AI server deployment are projected to enhance enterprise SSD demand significantly. Additionally, the introduction of AI-enabled PCs and higher-capacity SSDs is expected to stimulate demand in personal computing.

Overall, these developments indicate a positive shift towards a more balanced supply-demand landscape for NAND Flash, setting the stage for a price recovery by late 2025.

Display

[TrendForce expected growth](#) of global LCD gaming monitor panel shipments to slow this year, with a projected increase of only 5% to approximately 34m units. In 2024, shipments had surged by 12% to 32.42m units, largely driven by Chinese panel manufacturers expanding production and the release of popular games. However, the absence of major demand catalysts and profitability challenges in mainstream gaming monitors will hinder growth this year, the company warned.

In contrast, OLED gaming monitor panels are expected to see a significant growth of 40% in 2025, following a remarkable 132% increase in 2024. This surge is attributed to the mass production of mainstream OLED models and aggressive pricing strategies by manufacturers like SDC. As the OLED market matures, panel makers will focus on maintaining high-end positioning and profitability, leading to more stable growth and slower price reductions. Overall, while LCD panels face challenges, OLED technology is poised for continued expansion in the gaming monitor segment.

Consumables

[The American Forest & Paper Association \(AF&PA\) has released its January 2025 Printing-Writing Monthly Report](#), highlighting a 7% decrease in total printing-writing paper shipments compared to January 2024. In contrast, U.S. purchases of these papers rose by 10% in December 2024 compared to the previous year. The Association also tracked a 1% decline in total inventory levels from December 2024.

Shipment changes for the major categories showed mixed results: Uncoated Free Sheet (UFS) shipments fell by 9%, Coated Free Sheet (CFS) shipments decreased by 5%, while Mechanical (MECH) paper shipments experienced a modest 2% increase.



Network Products

According to a Dell'Oro Group forecast, spending on data center switches in AI back-end networks will exceed \$100bn from 2025 to 2029. The market was dominated by Celestica, Huawei, and NVIDIA in 2024, but significant shifts are anticipated in 2025.

Despite concerns regarding accelerated infrastructure spending, the analyst company expects strong demand for high-end accelerators and supporting infrastructure to continue. Ethernet is gaining traction as the primary fabric for large-scale AI clusters, leading to an upward revision in the Ethernet forecast and a downward adjustment for InfiniBand.

By 2025, most switch ports deployed will be 800 Gbps, with further increases to 1600 Gbps by 2027 and 3200 Gbps by 2030. Tier 1 Cloud Service Providers will drive most demand, but there is also notable growth among Tier 2/3 providers and large enterprises.

Monthly Statistics

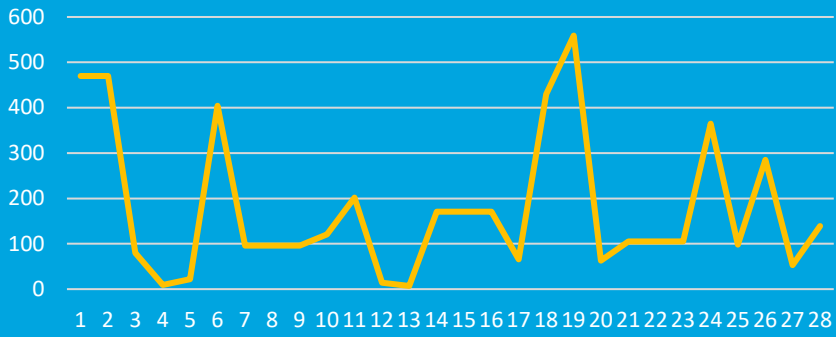
Price rises throughout the month saw notable variability, with a high of 49,034 products on February 20 and a low of only 890 on February 13. Other significant peaks included February 4 (36,680), February 10 (41,727), and February 11 (45,148), contrasting sharply with unusually low points like February 1 and 2 (6,913), February 18 (3,831), and February 27 (2,793).

Price reductions were similarly volatile, peaking at 50,295 products on February 27, with a low point of just 4,742 on February 13. Several unusually quiet days occurred on February 7, with only 6,896 reductions, as well as on February 11, 12, and 25, ranging from 15,694 to 16,368 reductions.

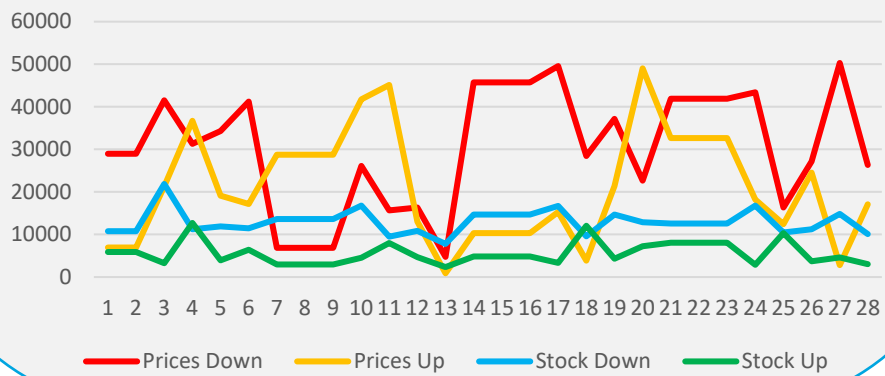
Stock increases spiked on February 4, reaching 12,715 products, while dipping significantly to a low of 2,343 on February 13. Additional noteworthy increases occurred on February 18 (12,022) and February 25 (10,324), suggesting periodic restocking or inventory surges throughout the month.

Stock reductions peaked early in the month on February 3, with 21,868 products experiencing decreases, contrasting dramatically with a low of 7,791 on February 13 - a midweek date that stands out for very low activity for stock and price movements this month. Other significant high points emerged on February 10 (16,760), February 17 (16,687), and February 24 (16,804), with particularly low stock reduction activity occurring on February 11 (9,473) and February 18 (9,576).

NEW PRODUCTS



MONTHLY STATS





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