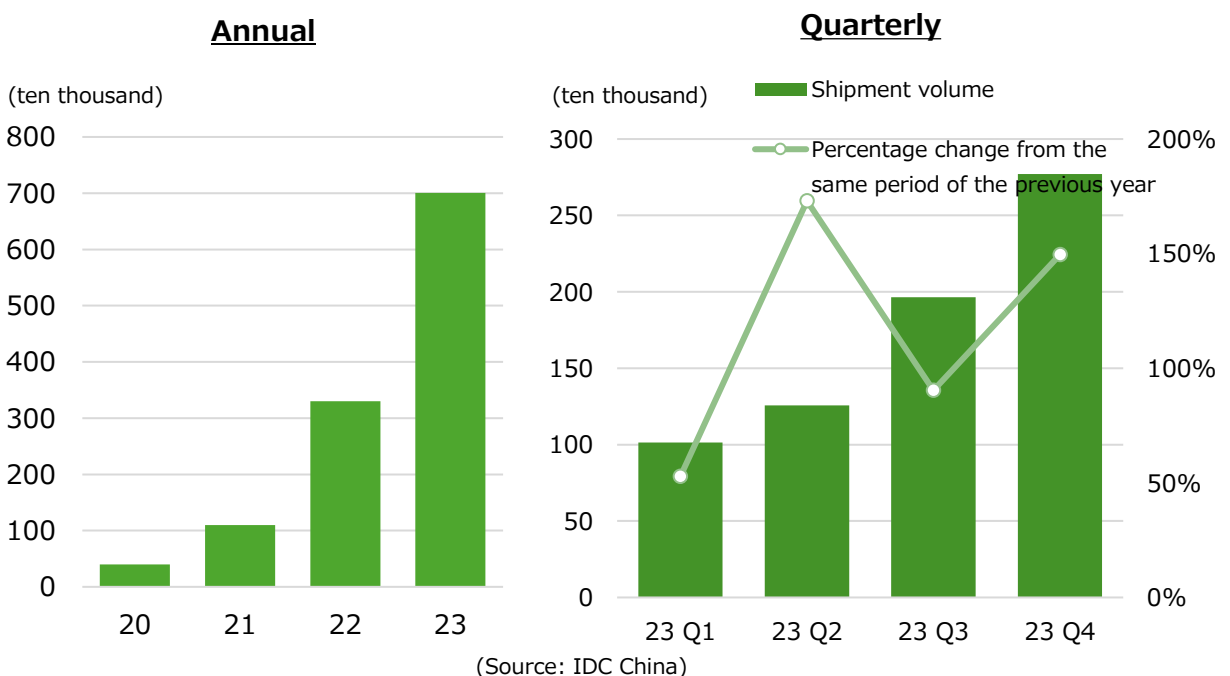


China: Foldable Smartphone

- **Summary:** Shipment volume surges - Huawei in the lead in market share by brand, Samsung struggles.
 - In China, shipments of foldable smartphones are expanding at a rapid pace. While overall smartphone shipments are sluggish, Chinese manufacturers and other Android camps are stepping up research and development of foldable smartphones across the board. With Apple also reportedly developing a foldable smartphone, smartphone companies are expanding their product lineups.
 - Prices are trending downward as shipments increase.
 - Huawei leads the Chinese market by brand in 2023, with OPPO in second place; Samsung, the leader in the global folding smartphone market, has been forced to shrink its share due to increased competition.
-
- **Folded smartphone shipments**
 - Folded smartphone shipments in China are increasing at a rapid pace: 400,000 units in 2020, 1.1 million units in 2021, 3.3 million units in 2022, and 7 million units in 2023, more than doubling year over year.
 - Shipment volume in 2023 on a quarterly basis also shows a steady increase, from about 1 million units in the January-March period to 2.77 million units in the October-December period (Figure 1).

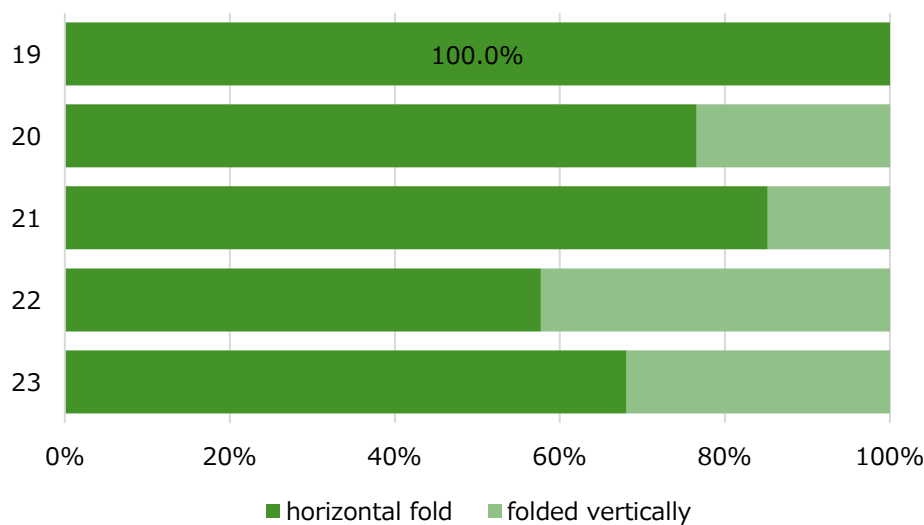
Figure 1: Folded smartphone shipments (annual, quarterly)



■ Vertical and horizontal folding ratio

- At first, the landscape of folding smartphones was dominated by the landscape-type, but more and more companies are now releasing portrait-type models. The portrait-type is more compact and portable than the landscape-type, and is also cheaper than the landscape-type. However, it has been pointed out that “the fact that there is no significant advantage in terms of usability compared to regular smartphones is a stumbling block to further popularization”, and the proportion of portrait-type smartphones in 2023 was 32%. This is a decrease from the previous year's 42% (Figure 2).
- Although the price of landscape-type smartphones is higher than that of portrait-type smartphones, they are used for business purposes more often, so the importance of price is relatively low when choosing a product.

Figure 2: Folded smartphones Vertical and horizontal folding market share

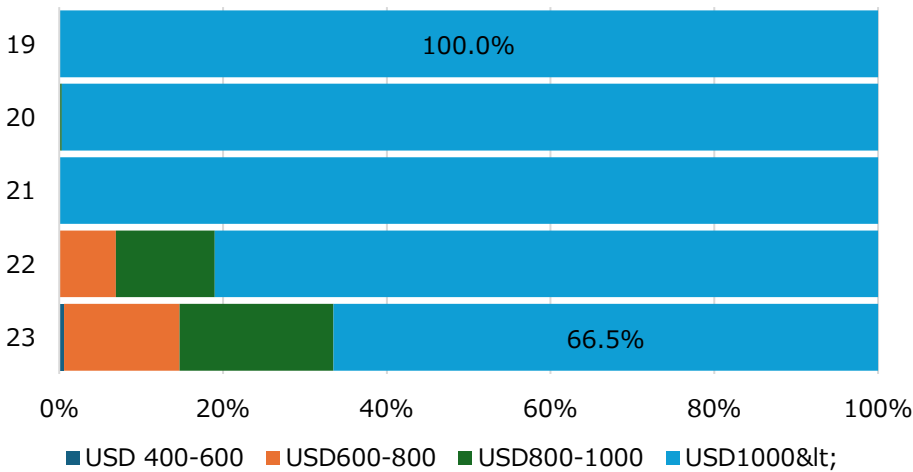


(Source: IDC China)

■ Shipment volume - Share by price range

- Looking at the number of units shipped by price range, 100% of the units were priced at US\$1,000 or more when foldable smartphones were first introduced. However, with the decrease in costs associated with the increase in shipments and the increase in the number of vertically folded models, which are relatively inexpensive compared to horizontally folded models, the selling price has been declining; the share of the price range of US\$1,000 or more fell from 81% in 2022 to 66% in 2023.
- Meanwhile, the price range of US\$400-600 and US\$600-800 expanded from 6.9% to 14.1% and from 12.1% to 18.8%, respectively (Figure 3).

Figure 3: Foldable Smartphones Share by Price Range

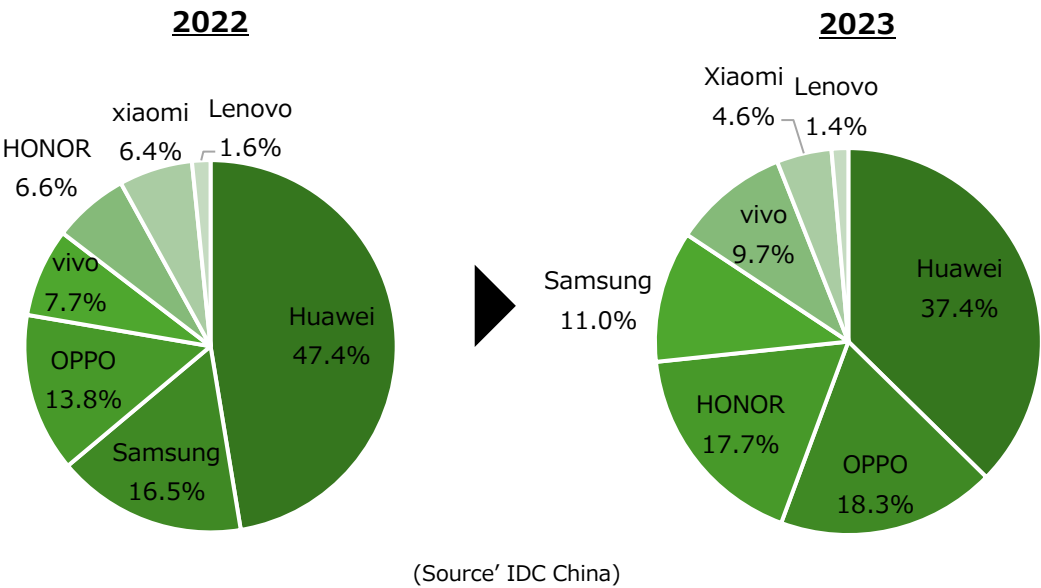


(Source: IDC China)

■ Share by Brand

- Huawei maintained the top position in terms of market share by brand in 2023. The share itself shrank from the previous year due to the continued shortage of the Mate X5 due to the shortage of semiconductors, but the company continues to lead by a wide margin over the second place. 2nd place went to OPPO, up from 3rd the previous year; OPPO was the leader in vertical-folding smartphones, holding a 36% share of the market.
- Meanwhile, Samsung, which has the top share of the global folding smartphone market, saw its share shrink in the Chinese market due to intensified competition. Its ranking dropped from 2nd in 2022 to 4th in 2023 (Figure 4).

Figure 4: Share by Brand (2022 vs. 2023)



(Ashu Research: July 2024)