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190.5 Million Cell Phones Sold

In the second quarter of 2005



Worldwide mobile phone sales totaled 190.5 million units in the second quarter of 2005, a 21.6 percent growth from the same period last year, according to Gartner, Inc. "All the regions recorded growth this quarter apart from Japan that saw a small decline in demand compared to the second quarter in 2004," said Carolina Milanese, principal analyst for mobile terminals research at Gartner, based outside London in Egham. "The sales in the mature markets of Western Europe and North America were driven primarily by sales of phones as replacements for older models and, to a lesser extent, by first-time buyers. In the emerging markets growth was boosted by an uptake in new connections as consumers took advantage of falling average selling prices of mobile phones." Nokia and Motorola have strengthened their position in the marketplace, as the two companies accounted for 49.8 percent of worldwide mobile phone sales in the second quarter of 2005. Nokia's market share grew 2.3 percentage points in the second quarter of 2005 to reach 31.9 percent. Motorola was the second best-selling vendor in Western Europe, a significant improvement compared to the same time last year when Motorola finished as the No. 5 vendor in the market. In the North America, Motorola was the market leader with its share reaching 33.5 percent, while it was the No. 2 vendor in Latin America with 31.9 percent of sales in the region. In Western Europe, mobile phone sales reached 37.4 million units, a 9.9 percent increase from the same time last year. While vendors did well in selling replacement phones, Gartner analysts said the transition to third-generation (3G) services was slow. "Users' lack of interest in 3G services, such as video calling, meant that users preferred 2.5G GSM phones to 3G handsets," Ms. Milanese said. Combined sales in Eastern Europe, the Middle East and Africa grew by 37 percent, as mobile phone sales rose to 33.6 million units. The markets in Russia, Poland, Ukraine, Turkey and Nigeria attracted more subscribers and boosted the aggregate total. Mobile phone sales in North America totaled nearly 35.5 million units in the second quarter of 2005, an increase of 9.4 percent from the second quarter of 2004. Gartner believes that by the end of the year, the number of cell phones will reach 780 million. "The strength of the world's mobile phone market in the second quarter of 2005 reinforces Gartner's view that it will reach 780 million units by the end of the year," Ms. Milanese said.