

Dell to double its staff in India to 20,000 by 2009

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NEW DELHI (AP) — Dell ([DELL](#)) plans to double the number of its employees in India to 20,000 in three years, Chairman Michael Dell said Monday, in what appears to be moves by the world's largest personal computer maker to beef up its presence in one of the world's fastest growing markets.

Although most of the hiring will be made at the company's call centers, there will also be substantial recruitment at its product testing center and a possible manufacturing plant.

The company operates four call centers in India, a product testing center for corporate customers and a global software development center. About 10,000 people are employed at these facilities.

"We will double our staff from the current level over the next three years," Dell told reporters during a visit to Bangalore, India's technology hub.

"There is a fantastic opportunity to attract talent (here)," he said. "We will ensure a major recruitment push in engineering talents."

Scores of Western companies have been cutting costs by shifting software development, engineering design and routine office functions to countries such as India, where English-speaking workers are plentiful and wages are low.

But Dell's plans don't appear to be limited to cost cutting, analysts said. They said Dell appears intent on increasing its share in India's fast-growing market for computers.

The company is also looking to set up a manufacturing center in India, a move that could help boost the sale of Dell computers here.

"We have been in discussions with a number of state governments in terms of infrastructure and logistics. We are yet to make a decision on the location of the plant," Dell said. He declined to give any timeframe for a decision.

"India is a market in its own rights. A (manufacturing) facility like this will help Dell to be close to its customers not just in India, but South Asia," said James McGregor, a Beijing-based economic analyst who monitors issues in India and China.

Earlier this year, on a trip to New Delhi, Dell Chief Executive Kevin Rollins said his company's expansion plans in India were not limited to tapping talent, but that it also wanted to benefit from India's growing demand for computers.

Dell accounts for less than 4% of the 4 million computers sold annually in India, whereas the company's share in the global market is about 18%, he said.

Taxes levied by the Indian government on computers and computer parts are a major factor, resulting in higher prices for Dell products and sluggish sales. The Indian government imposes higher import taxes on fully assembled computers than computer parts, and Dell currently ships complete computer sets to India.

A domestic manufacturing facility would help the company avoid some taxes and boost its presence in India, where computer sales are expected to increase to 10 million annually over the next three to five years.

Dell currently operates nine plants around the world, six of them outside the United States.

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