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**THE TIMES OF INDIA**

# India is 'shining star' in PC mkt: HP CEO

TNN | Nov 7, 2022, 07:04 AM IST



Enrique Lores is easily one of the longest-serving officials with HP, the world's top computer and printer giant, where he has spent over 30 years in various roles. Now the global CEO of the \$63.5-billion US tech manufacturer, Lores believes that time has come for India to play a leading role in driving global demand. This comes at a time when the global market for computers may go down this year due to inflation, war, increase in energy prices, and political instability.

On a visit to India, Lores promises new investments and stronger manufacturing in India, including looking at exports. However, he says that the government needs to do more in areas such as taxation, subsidies, and creating a conducive environment for attracting stronger investment flows, at a time when the world is looking at a China-plus-one strategy.

Excerpts:

How do you see the Indian market in the long-term?

The Indian economy is doing well, clearly. I can say that India is a shining star from a business perspective. We see a lot of growth in the country, a lot of opportunities (and) a lot of dynamism... I think there are very few countries in the world where the adoption of digital processes and technologies is going to be faster than in India, and definitely no other country even comes close in terms of size. As much as 98% of the country is going to have 5G coverage... (and) this is going to be transformational. The need to have PCs and printers is going to drive demand for us.

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Will India turn out to be the fastest-growing market?

On a sustained basis, for sure... if I look at the next 8-12 quarters, definitely.

## 'Digital Penetration To Make Us Invest'

“Clearly, the fact that digital penetration here will be higher will make us to invest, and to design the products first for India. We will be doing both — building local products and also leveraging the global products

“To bring in meaningful manufacturing volumes, we need to bring with us all of our sub-suppliers. And this is why any change in this direction takes time (and) will happen over time

“Exports are going to depend a lot on the tax environment and the type of policies and subsidies that the Indian government would put in place

— ENRIQUE LORES | GLOBAL CEO, HP



Would we see you invest here more? Currently, you import a lot.

India is a very large market also from our internal perspective as we have R&D here, apart from sales, support, and manufacturing... We have invested a lot and we will continue to do that in the future, especially as I see the opportunities to continue to grow the business here... some of the opportunities will require special products, and special features... clearly, the fact that digital penetration here will be higher will make us to invest, and to design the products first for India. We will be doing both — building local products and leveraging the global products.

The government wants companies to invest more in manufacturing in India. What are your plans?

We have a small factory today. And we understand and see the push that we get from the government to manufacture more locally. And as we will be working on what is our manufacturing footprint and look at the future, of course we will take that into consideration. To bring in meaningful manufacturing volumes, we need to bring with us all of our subsuppliers. And this is why any change takes time (and) will happen over time.

What about exports?

We will evaluate... from our cost and tax perspective... Exports are going to depend a lot on the tax environment and the type of policies and subsidies that the Indian government would put in place. I think any policy that will help reduce the cost delta between manufacturing here and manufacturing outside will always be welcome. And any policies that will help us to export efficiently from a tax perspective will always be welcomed.

How do you view China?

China is a large country for us from a manufacturing perspective. We make a significant part of our PCs, and printers. But we also manufacture in other parts of the world.

How do you compare China with India in terms of prospects, environment for production?

I think prospects of economic growth are more solid in India because of all the transformation the country is going through.

China is more manufacturing friendly. In China, there is a full network of suppliers that is hard to replicate. Hard doesn't mean

impossible, but it is hard. There is a very good tax framework for exports. There is a very good logistics network — both from in-bound and out-bound perspective. It is easy to bring supplies in when necessary, it is very easy to bring products out... it is not only factories but there is everything else that needs to support factories like energy, quality of energy. Therefore, it is easier to build products (in China) than anywhere else in the world.