

Despite curbs, Asus eyes double-digit growth in a year

Expects 5-10% rise in festival sales compared to last year

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As the Indian personal computer (PC) market has begun to show signs of recovery, Taiwanese PC maker Asus is looking to ramp up its investments in the country.

The firm has not witnessed any operational challenges due to the recent laptop import restrictions imposed by the Centre. It is, in fact, expecting an uptick in festival season sales compared to last year. It is also looking to expand its manufacturing capabilities in India

“The Indian market has a lot of potential. Right now, it is the biggest contributor for us in the Asia-Pacific region. There is a lot more room to grow in terms of PC penetration, compared to other countries. We believe that we will need to invest in India further. Our investments here will grow in double digits (within a year),” Peter Chang, general manager, Asia-Pacific, systems business at Asus, told *Business Standard*.

Asus’ optimism about the Indian market comes at a time when global PC makers have been reeling from the government’s recently-introduced laptop import restrictions.

In an official notification on August 3, the government announced that import of laptops, tablets and PCs will be restricted with immediate effect, in a bid to curb Chinese imports and push local manufacturing.

After a strong pushback, the deadline was extended to November 1, with talks now surfacing about pushing it further to the next financial year.

“We have been able to manage it (the curbs). Our imports have continued. Now, we are working to figure out the next step — on what we need to do. Initially, there was uncertainty. But ultimately, there has been no real impact,” said Chang.

The Taipei-headquartered firm is one among many others vying for the Centre’s IT Hardware PLI Scheme 2.0, which was introduced to boost local manufacturing. Shifting



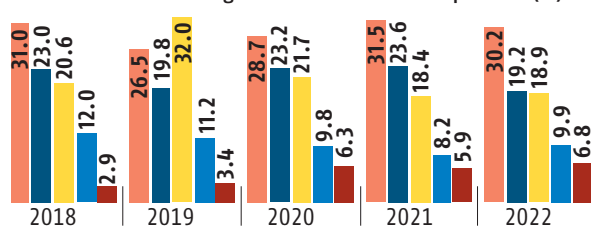
(From left to right) Asus’ senior leadership Eric Ou, Peter Chang, and Arnold Su

PHOTO: ASUS

PEER COMPARISON

Indian PC market share break-up in the last 5 years

■ HPE Inc ■ Dell Technologies ■ Lenovo ■ Acer Group ■ Asus (%)



Source: International Data Corporation

its entire supply chain to India will, however, be a challenge, according to the firm’s management.

“From the next financial year, we will also be working with an international electronics manufacturing service (EMS) partner to boost local production. We are working with the ministry of electronics and information technology (MeitY) very closely. We already have manufacturing capabilities on a small scale here, but are looking to expand,” said Eric Ou, country head, president and director, Systems Group, Asus India.

Currently, the company has a small manufacturing unit in Noida, but is looking to set up a larger facility in Chennai. All of Asus’ manufacturing operations will take place in this new factory from December this year.

Asus is expecting a 5-10 per cent increase in sales during the festival season compared to last year. It is also hoping to up its market share.

“Last year, our average market share was 13-14 per cent. This year, till now, the average share is 18 per cent. So,

even if there is a decrease in overall PC shipments, our market share has meaningfully increased,” said Arnold Su, business head, consumer and gaming PC, Systems Business Group, Asus India.

Although PC shipments (including desktops, notebooks, and workstations) declined 15.3 per cent year-on-year (Y-o-Y) to 3.2 million units in the second quarter of 2023, the market grew 5.9 per cent on a sequential basis, according to data from the International Data Corporation (IDC). This indicates a slight recovery in the demand for PCs.

Asus came in at the fifth spot during the quarter, with a 7.2 per cent share in the Indian market at 228,000 shipments.

However, in the consumer segment, where Asus largely operates, it is the second largest player behind HPE. It is also the biggest player in the gaming segment.

“There is a high possibility that we will become the biggest consumer notebook brand in the coming few months. One of the reasons for this is our strategy to expand our channels in India,” said Su.