HP to Strengthen Presence in China With New PC Manufacturing Plant

October 09, 2008 06:01 AM Pacific Daylight Time   BEIJING--(BUSINESS WIRE)--To strengthen HP's (NYSE:HPQ) ability to serve the fast-growing Chinese market and accelerate economic development in West China, HP and China's Chongqing Municipality today announced plans for an advanced manufacturing complex.

HP, the world's largest technology company, plans to operate a 20,000-square-meter (215,278-square feet) facility in Chongqing, where it will make state-of-the-art notebook and desktop PCs for customers in the world's most populous country, according to the terms of a memorandum of understanding with the Chongqing Municipality.

HP is the leading foreign manufacturer of PCs in China.[1]

Manufacturing operations are expected to begin in 2010. When in full operation, the HP-managed plant is expected to have the capacity to meet market demand in Chongqing as well as other parts of China across government, public and retail sectors.

Chongqing leaders and HP share a vision for the potential of the region.

"Our vision of transforming Chongqing into China's West IT center requires strong participation from the world's most innovative and respected companies," said Wang Hongju, mayor, Chongqing Municipality. "We welcome and support the HP venture, which will accelerate the development and bring new economic opportunity to an area previously untapped."

"As the world's leading PC maker, the world's largest component buyer and a contributor to the Chinese economy since 1981, HP is proud to announce plans to expand our commitment to the Chinese marketplace," said Todd Bradley, executive vice president, Personal Systems Group, HP. "We look forward to expanding opportunities for local talent in the heart of China to help us better serve the Chinese market for computing products and services. We thank the Chinese government for this opportunity to forge a closer partnership between Chongqing and HP."

Chongqing is one of the fastest growing cities in China. According to the National Bureau of Statistics, in 2007, its GDP was $410 billion (RMB) with a growth rate of 15.6 percent over the prior year. The city has 500,000 university students and more than 1,000 research and development institutions. In addition to the educated work force, development conditions offered by the local government made the development attractive to HP.

Today's news follows a joint announcement related to an HP Global Call Center to provide sales-related support for HP products and services and the development of an information-sharing platform for Chongqing's University Town that will help reduce redundant IT investments by tertiary institutions.

HP in China – key milestones and facts

- HP's presence in China began in 1981 with the opening of the first China HP representative office in Beijing
- China Hewlett-Packard was established in 1985
- HP is the second-largest PC maker in China, and the leading foreign PC vendor in China, according to IDC
- HP does business in more than 680 cities in China
- Nearly 7,000 Chinese retail stores carry HP products

- HP's Personal Systems Group opened the China Development Center in Shanghai in 2004 to design and manufacture products specifically for the Chinese market, part of the "Designed in Asia for Asia" (DIAFA) program
- HP established an HP Labs in China in 2005
- HP also has manufacturing operations in Shanghai

About HP
HP, the world's largest technology company, provides printing and personal computing products and IT services, software and solutions that simplify the technology experience for consumers and businesses. HP completed its acquisition of EDS on Aug. 26, 2008. More information about HP is available at http://www.hp.com/.

Note to editors: More news from HP, including links to RSS feeds, is available at

http://www.hp.com/hpinfo/newsroom/.

[1] IDC Asia Pacific Quarterly PC Tracker, Q2 2008.

This news release contains forward-looking statements that involve risks, uncertainties and assumptions. If such risks or uncertainties materialize or such assumptions prove incorrect, the results of HP and its consolidated subsidiaries could differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including but not limited to statements of the plans, strategies and objectives of management for future operations; any statements concerning expected development, performance or market share relating to products and services; anticipated operational and financial results; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Risks, uncertainties and assumptions include the execution and performance of contracts by HP and its customers, suppliers and partners; the achievement of expected results; and other risks that are described in HP's Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2008 and HP's other filings with the Securities and Exchange Commission, including but not limited to HP's Annual Report on Form 10-K for the fiscal year ended October 31, 2007. HP assumes no obligation and does not intend to update these forward-looking statements.

Contacts
HP
Liana Teo, +65-6727-5095
liana.teo@hp.com
Marlene Somsak, +1-408-242-2425 (U.S.)
marlene.somsak@hp.com
Jim Christensen, +1-408-447-1678 (U.S.)
jim.christensen@hp.com
or
Burson-Marsteller for HP
Erin Tsang, +65-6829-9327
erin.tsang@bm.com
Permalink: http://www.businesswire.com/news/banghp/20081009005455/en