

Mideast IT spending grows as business attitudes change

HCL to use Dubai base as a springboard for regional operations

By Naushad K. Cherrayil,
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The Middle East market presents a high growth potential landscape that is witnessing an increase in strategic IT spending fuelled by changing business attitudes among local end-users, a top official at India's Hindustan Computers Limited (HCL) said.

"The enterprise application services and infrastructure development services present good opportunities in the region," Virender Aggarwal, senior vice-president and head of APAC-MEA Markets at HCL Technologies, told Gulf News in an interview.

Hosted data centres are another area with plenty of growth potential, despite a fragmented regional market.

Aggarwal said HCL Technologies began its Middle East operations in early 2007 in Saudi Arabia.

To reinforce its commitment to the region, HCL recently inaugurated its Middle East headquarters in Dubai as part of plans to focus more on the region.

Milestone

"Dubai is a hub not only for the GCC but for the whole Middle East and North Africa region, and we believe the opening of the regional office in Dubai is a strategic milestone in HCL's corporate history," he said.

"The office will be the springboard for HCL to deliver highly differentiated and transformational IT services to Middle East customers and partners," he added.

"Having entered the market with the right business strategy, focus and the resources to back up our intent seriously, we aimed to understand the market and the ecosystem to be able to customise our approach to the specific needs of this market," he said.

"We have been working closely with customers and partners through this period and now understand the region with a fair degree of detail and depth."

Aggarwal said HCL had registered 29 per cent year-on-year growth as of December 2009.

Having received a positive response in the market so far, HCL expects a healthy growth rate in 2011 despite the downturn.

"We bring to the Middle East our unique delivery model which aligns local touch points, or a localised service experience, with globally benchmarked services and standards in IT management," he said.

"We have more than 25 cross-industry customers in the region including government, telecom service providers, banking and financial institutions, large retail chains, manufacturing..., oil, gas, media, publishing and entertainment enterprises," he said.

According to the results of research carried out by HCL Technologies industry intelligence unit, IT spending in emerging markets is expected to grow at a compound annual growth rate of 11.3 per cent through 2012, compared to just 2.5 per cent for the world's developed markets.

The Middle East and Africa will be at the forefront of this surge, with IDC forecasting year-on-year IT spending growth for the region of 11 per cent in 2010.

These are encouraging numbers for any IT services player; and HCL is committed to mine the opportunities that the market offers.