

Dell wins EU OK to get euro54.5 million Polish aid

September 23 2009

(AP) -- Dell Inc. won EU approval Wednesday to receive a euro54.4 million (\$80.4 million) subsidy from the Polish government to build a new plant there, replacing Ireland as the computer maker's new European manufacturing hub.

The [European Commission](#) said it could allow the government aid the company because the new factory would create jobs in a disadvantaged part of Poland - Lodz, the country's third-largest city - where there is an unusually low standard of living and high unemployment.

The state will pay just over a quarter of the total investment of euro189.58 million in the plant which will eventually employ up to 3,000 people to make desktops, notebooks and servers, including Latitude and Inspiron models.

Open since January 2008, the factory currently employs 1,700.

EU regulators said they investigated the subsidy carefully because they initially doubted that the plant needed state help and wanted to check that it didn't enrich [Dell](#) or help it make more of a product that wasn't selling.

When Dell announced plans to build the plant in Poland, it was hailed as a landmark project for bringing high-skilled work to the country where hundreds of thousands of young, educated people were leaving for higher-paid jobs in other parts of the EU.

Round Rock, Texas-based Dell said it had picked Poland as a manufacturing center because it was close to a large, growing customer base in central and eastern Europe where it expected sales to increase by nearly 14 percent a year.

It also helps the company cut manufacturing costs, as profits decline and it loses its status as the world's No. 1 PC maker to rival Hewlett-Packard Co.

Dell said earlier this year that it would shift its European manufacturing center from Limerick, Ireland to lower-wage Poland with the loss of some 2,000 Irish jobs and another 840 in local supplier companies.

Dell was Ireland's second-largest corporate employer, its biggest exporter and in recent years has contributed about 5 percent to the national gross domestic product. Economists warn that each Dell job underpins another four to five jobs in Ireland.

Some 1,000 Irish workers will remain in Limerick to coordinate manufacturing throughout Europe and research and develop new products. Dell also employs another 1,300 people in a Dublin-based marketing and sales center for Europe.

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Citation: Dell wins EU OK to get euro54.5 million Polish aid (2009, September 23) retrieved 20 April 2024 from <https://phys.org/news/2009-09-dell-eu-euro545-million-aid.html>

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