Dell says Thai floods will impact disk drive supply

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Visitors walks around the Dell stand at the world's biggest high-tech fair, the CeBIT, in the northern German city of Hanover. Dell said Friday that flooding in Thailand is likely to tighten supplies of the all-important hard disk drives used in its computers.

Leading personal computer maker Dell said Friday that flooding in Thailand is likely to tighten supplies of the all-important hard disk drives used in its computers.

"Dell is continuing to actively monitor the Thailand flooding situation, and while we expect Hard Disk Drive supply to be limited in the next several weeks, we are working closely with our HDD suppliers to mitigate any customer impact," the company told AFP in an email.

"We have teams engaging daily with affected suppliers regarding this industry situation in order to most effectively and efficiently manage our
HDD supply chain."

Industry analysts said this week that PC makers could be hit hard by early next year due to more than two months of flooding that has shut down many of the HDD factories in Thailand, which supply about 40 percent of world market for the crucial memory components.

According to industry specialist International Data Corporation, the plant closures could force, in the worst case, a 20 percent cut in PC shipments in the first quarter next year.

"Even the largest vendors are expected to face HDD shortages, particularly for portable PCs where the market is more consolidated," said Loren Loverde of IDC.

Consultancy IHS iSuppli said the floods would cut global HDD shipments by some 51 million units in the current quarter, to 125 million units.

"Prices for HDDs have already begun to move higher on the anticipation of shortages, and it is likely that prices will remain elevated, possibly by more than 10 percent, for several quarters to come," IHS said.

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