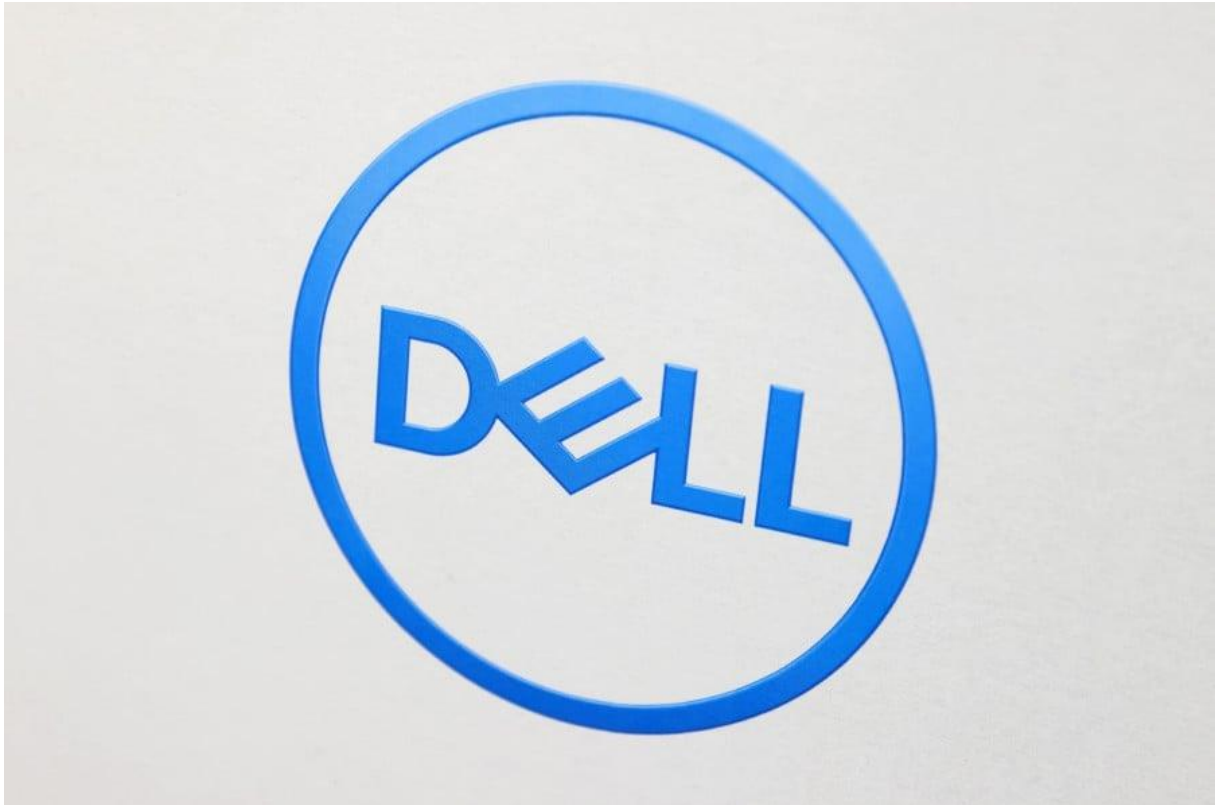


Dell to slash over 6,000 jobs amid 'uncertain market future'

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Dell Technologies Inc is cutting about 6,650 jobs, or 5 per cent of its global workforce, as it struggles with a slump in the personal computer market and braces for a potential recession.

The move on Monday aligns Dell with a raft of U.S. companies from Goldman Sachs Group Inc to Alphabet Inc that have laid off thousands this year to ride out a demand downturn wrought by high inflation and rising interest rates.

Dell had already rolled out cost-cutting moves such as a hiring pause and limits on travel as it dealt with a post-pandemic collapse in PC sales, which account more than half of its revenue.

However, those moves are "no longer enough", co-Chief Operating Officer Jeff Clarke wrote in a memo to employees.

"What we know is market conditions continue to erode with an uncertain future," Clarke said. Dell expects to book costs related to the layoffs in its fiscal fourth quarter, which ends in January.

Rival HP Inc has also said it will cut up to 6,000 jobs. The market for PCs and tablets is set for another year of decline in 2023 with a fall of 2.6 per cent, according to research firm IDC, after rapid growth during the pandemic on the back of remote working.

"It was only a matter of time before the wave of tech layoffs reached Dell's shores, given how sensitive the company is to both consumer and corporate confidence," said Susannah Streeter, markets analyst, Hargreaves Lansdown.

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The layoffs were first reported by Bloomberg News earlier on Monday.

Dell's shares were flat before the bell.--REUTERS