

Chip manufacturers may curb hiring on US slump

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With recessionary trends in the US economy appearing imminent, semiconductor firms – particularly the global companies operating captive design centres in India – are expected to hire fewer engineers in the next financial year.

More than 50 global companies, mostly from the US, operate captive design centres or offshore development centres (ODCs), partnering Indian firms. They include Freescale Semiconductors, NXP Semiconductors and Indian firms such as Wipro, KPIT Cummins and MindTree Consulting, which operate ODCs. There are close to 20,000 engineers working in the semi-

conductor sector with 14,000 of them being VLSI (very large scale integration) engineers. A majority of these companies are working on technologies relating to consumer electronics and industrial equipment.

According to the India Semiconductor Association (ISA), the trade body of the semiconductor industry, captive design centres of global companies are already seeing a slowdown on account of the anticipated US recession. "Hence, on-campus hiring will see a slowdown - especially since captives have always hired more from campuses - leading to the widespread belief that there is a general slowdown," ISA President Poornima Shenoy said.

Almost 70 per cent of the Indian semiconductor design in-

dustry is either captive or ODC for captives from large design service companies. More than 50 per cent of the Indian semiconductor firms are dependent on the US market for revenue.

"There is a general feeling that workflow from the US may come down. Most of the firms have orders to last for six months only. In the case of ODCs, the work is project specific. The candidates shortlisted from the campuses are yet to receive offer letters since the companies have adopted a wait-and-watch policy," said V S Panicker, partner, Career Consulting, which assists campus recruitments.

Ahmedabad-based eIn-fochips, which specialises in electronic design solutions, contended that it has yet to feel the impact of the slowdown.