

# Foxconn inks ₹1.6K cr deal with TN for mobile component plant

May employ 6,000 people; in talks with state for further investments in EV

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Tamil Nadu (TN) signed an agreement on Monday with Taiwan's Foxconn, the world's largest electronics manufacturer, to build a mobile component manufacturing facility in the Kancheepuram district at a proposed investment of ₹1,600 crore, likely employing 6,000 people.

The global major is also in talks with TN regarding the electric vehicle (EV) segment, as part of its strategy to establish an EV manufacturing unit in India this year.

After signing the deal with TN, Foxconn Group Chairman Young Liu told the media in Chennai that the company is yet to decide on the location and is still working on its plans to expand semiconductor and chip manufacturing capacity in India.

This marks the first major investment by Hon Hai Technology Group, as the company is formally known, in India after it parted ways with Vedanta on a \$19.5 billion chip-making joint venture.

"Various investment opportunities in TN were discussed. We also discussed further



**TN Chief Minister M K Stalin with Foxconn Group Chairman and CEO Young Liu, in Chennai on Monday**

PHOTO: TN GOVT

investments in EVs and electronic components. Another milestone in our ambition to make TN the new emerging electronics manufacturing hub of Asia," tweeted Chief Minister (CM) M K Stalin after a meeting with Liu on Monday.

The discussions on the EV sector are close to Foxconn mentioning in its annual report that India will assist with the establishment of a production line this year to provide two-wheeled EV manufacturing services that will cater to the EV two-wheeler market in Southeast Asia.

Brand Cheng, chief execu-

tive officer of the group's subsidiary Foxconn Industrial Internet (Fii), met with Stalin and T R B Rajaa, TN's Minister for Industries, Investment Promotion, and Commerce, earlier this month about signing a memorandum of understanding in July. During that month, Fii also proposed to set up a unit in Karnataka's Tumakuru for ₹8,800 crore.

When asked about the Chennai facility, which is the biggest production site for Foxconn in India, the chairman lauded the support from the state government in its expansion.

"We have six or seven buildings under construction. We can do more in the future. We have 40,000 workers as of today. That's a very important base to grow on," Liu said, talking to reporters at IIT Madras Research Park.

"Foxconn's repeated investments and expansion plans in TN are testament to the state being the top choice for manufacturing in India for major companies across the world," said Rajaa about the agreement for an electronics components facility.

TN has had a twofold increase in electronic exports, from \$1.86 billion in 2021-22 (FY22) to \$5.37 billion in 2022-23. The state was ranked fourth as an exporter of electronic goods after Karnataka, Uttar Pradesh, and Maharashtra in FY22.

"Manufacturers who have seen immense success in TN over the past many years know that by investing more in the state, they will only gain more. This will play a critical role in attaining our CM's ambition of a \$1 trillion economy in TN," said Rajaa.

Foxconn entered the Indian market in April 2006, as a manufacturer for Nokia in Chennai.