

Pegatron sets up India's third iPhone factory

To invest ₹1,100 crore in Chennai plant; may create 14,000 jobs

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Taiwan's Pegatron on Friday became the third Apple vendor to set up a manufacturing unit in India, inaugurating a facility at Mahindra World City in Chennai. It will invest around ₹1,100 crore in the unit, potentially generating around 14,000 jobs.

The other two Apple vendors with units in India are Foxconn and Wistron, both Taiwanese. Pegatron's facility comes at a time when Apple is expected to move at least a quarter of its manufacturing facilities to India by 2025. It signed a memorandum of understanding (MoU) with the Tamil Nadu government in February last year.

"The fact that Pegatron has started production within 18 months of signing the MoU highlights the investor-friendly climate in Tamil Nadu. China is where new cell phone models are manufactured in bulk. We are working to change that and make Tamil Nadu such a manufacturing hub," said Tamil Nadu Chief Minister M K Stalin.

Minister of State for Electronics and Information Technology Rajeev Chandrasekhar called the new unit a symbol of partnership between the Centre and the states to help India achieve the target of \$300 billion in electronics manufacturing from the current \$75 billion. According to him, India's electronics export is likely to reach \$120 billion by 2025-26.

"Mobile phone exports in India in 2015-16 were near zero. They have reached around ₹50,000 crores. India used to be heavily dependent on imports of mobile phones. In contrast, today, 97 per cent of mobile phones used in India are products of domestic manufacturing," the union minister added. The electronics major applied for the central government's production-linked incentive scheme (PLI). Also, Tamil Nadu plans to develop Hosur, Coimbatore and Sriperumbudur as electronics manufacturing hubs.

Chandrasekhar added the PLI scheme has played a big



MoS for Electronics and IT Rajeev Chandrasekhar and Tamil Nadu Chief Minister M K Stalin at the inauguration of Pegatron's facility at Mahindra World City in Chennai, on Friday

PHOTO: PIB

role in ushering in investments and employment in electronics manufacturing. He said it has catalysed an investment of ₹6,500 crore in a short span of time, generating employment of over 40,000 in Tamil Nadu alone.

The state contributes to around 20 per cent of the country's electronics manufacturing. Major players in the state include Samsung, Foxconn, Tata Electronics, and Dell. Stalin said the state is working to improve the supply chain.

"Beyond conventional industries, we are showing interest in innovative industries. Under industry 4.0, the electronics sector plays a very important role. It has the power to change the manufacturing map of the state. We are focusing on that," the chief minister said. Early this year, Tamil Nadu jumped to the third place in ease of doing business, compared last year's 14th position. Stalin reiterated his government's road map to achieve the target of a ₹1 trillion economy. To achieve this, the state is giving special incentives for the manufacturing sector.