

Foxconn eyes 2nd chip plant in India, sans govt incentive

First unit, by Vedanta-Foxconn JV, under PLI scheme

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Having already applied to set up a semiconductor plant in India with joint venture (JV) partner Vedanta, Foxconn Technology Group has shown interest in setting up a second plant, this time without any government incentive.

A management delegation from Foxconn, led by Chairman Young Liu, was in India last week for meetings, and also met Prime Minister Narendra Modi. Liu was here to deepen the company's business relationship for the long term. It has participated, through two of its companies (Foxconn Hon Hai and Bharat FIH), in the country's production-linked incentive (PLI) scheme as a vendor for Apple Inc as well as other mobile device makers.

A top government official aware of the developments said: "Foxconn is bullish on India. It has even shown interest in putting up another chip plant in the country, without any financial incentive from the Centre. It shows the company's long-term commitment."

A detailed questionnaire to the Foxconn headquarters did not elicit any response.

Foxconn has formed a JV with Vedanta and applied to the government to set up a semiconductor plant in Dholera, Gujarat, under a ₹50,000-crore scheme, which will provide financial incentives to eligible

HIGH-STAKES GAME

- ▶ Foxconn, the world's largest electronics manufacturer, buys over \$40 billion worth of semiconductors annually
- ▶ It has already bought a plant in Taiwan for its foray into semiconductors
- ▶ The company has entered into a JV with Vedanta to set up a chip plant in Gujarat
- ▶ It is also looking at setting up an EV plant, but there hasn't been any decision on state or size of investment



projects upfront.

Foxconn and Vedanta have committed an investment of ₹1.54 trillion and have tied up with a technology provider to make 38 nanometre chips to begin with. Foxconn will have a 40 per cent stake in the company.

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strain itself has mutated and the current formulation of the vaccine is not working to tackle this flu.

A senior industry source said that the World Health Organization (WHO) is expected to come up with a new formulation of the vaccine, taking into account the strain doing the rounds.

“WHO picks up a few strains for the influenza vaccine. It was more effective two years ago. It is a common flu but it keeps mutating. We are expecting WHO to issue guidelines on the new strain,” said an industry source.

The other issue is also lack of awareness about the influenza vaccine, which has to be taken every year.

“Even the educated do not know about this vaccination. You can still get the flu but the severity would be less. The onset of winter (October-November) is a good time to get this vaccination,” said Tickoo.

Doctors also said same time last year, the Omicron variant of the novel coronavirus was more prevalent and consequently common flu cases were fewer in number

Foxconn...

The JV is one of the three applicants who have applied for the incentives.

Vedanta has hired David Reed, a veteran in the business, who will join the company from NXP Semiconductors.

According to sources, the Foxconn-Vedanta proposal is



expected to get government approval soon.

Under the semiconductor policy, the government is offering incentives which match global standards: it is providing 50 per cent of the cost of setting up the plant.

Government officials who attended the meetings say Foxconn, which is the world's largest electronics manufacturer with revenues of \$224 billion, buys globally over \$40 billion worth of chips annually for its customers. This figure will only grow given its entry into electric vehicles, and India could be the source of its chip requirements.

In a statement, Liu said his visit supported Foxconn's efforts to deepen partnerships and seek cooperation in new areas such as semiconductors and electric vehicles.

The government official also said Foxconn has plans to set up an electric vehicle plant too though the plan, along with the location and investments, is still being worked on. The reason is that its current strategy is to find customers who will brand and sell elec-

tric vehicles, just like its arrangement with Apple Inc.

The official also confirmed that Foxconn has committed to generating about 200,000 jobs, up from around 35,000 currently. He said that considering that one line of Apple iPhone employs 5,000 workers, the target of 200,000 is feasible in the next three to four years.

However, in a statement, Foxconn Technology Group said it has not gone into 'definitive agreements' for fresh investments.

Foxconn's foray into semiconductors began after it bought Taiwanese chip maker Macronix International in 2021 for \$90 million. Macronix makes chips used in electric vehicles.

In a coup of sorts, Foxconn was able to persuade Chiang Shang-yi, a top executive of Taiwan Semiconductor Manufacturing Company, to come on board. Chiang has also been vice chairman of Semiconductor Manufacturing International, China's largest and most advanced chip maker.

