

Vedanta's \$20-bn semiconductor foray may take off from Gujarat

ADITYA KALRA & MUNSIF VENGATTIL

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Vedanta has selected Gujarat for its semiconductor project, two sources told *Reuters*, the first major step in its \$20-billion joint venture with Taiwan's Foxconn.

Vedanta obtained financial and non-financial subsidies, including on capital expenditure and cheap electricity from Gujarat, to build the semiconductor plants, the first source with knowledge of the matter said.

The project will include display and semiconductor facilities near Ahmedabad, the source added, declining to be named ahead of an official announcement.

While lobbying for incentives, Vedanta had sought 1,000 acres (405 hectares) of land free of cost on a 99-year lease, and water and power at concessionary and fixed prices for 20 years, *Reuters* had reported in April.

A spokesperson for Vedanta did not respond to a request for comment while Foxconn did not immediately respond. A senior official in Gujarat's science and technology department, and another in Chief Minister Bhupendrabhai Patel's office, declined to comment.

An announcement is expected this week with a formal signing of a memorandum of understanding between the two sides, which is likely to be attended by Patel and Vedanta officials, the source added.

Other regions including Maharashtra, Telangana and Karnataka had also been in the running to host Vedanta-Foxconn's mega project.

But in the last leg of negotiations in recent weeks, Gujarat pipped Maharashtra to the post.

India's semiconductor



BUILDING BLOCKS

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market is estimated to reach \$63 billion by 2026 from \$15 billion in 2020, the government says.

Most of the world's chip output is limited to a few countries like Taiwan and late entrant India is now actively luring companies to "usher in a new era in electronics manufacturing" as it seeks for ways to have seamless access to chips.

Vedanta, an oil-to-metals conglomerate, decided in February to diversify into chip manufacturing and formed the joint venture with Foxconn.

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