

Centre bets on semicon talent's *Swades* moment

Expects thousand-odd Indian engineers to return from Southeast Asia, US

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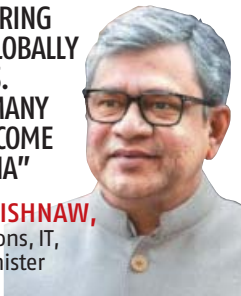
The government, based on feedback from semiconductor companies operating in India, expects hundreds to thousand-odd Indian engineers to return from Southeast Asia and the United States (US) to participate in the country's high-tech manufacturing revolution.

"Nearly 20-25 per cent of the senior talent in the semiconductor manufacturing industry globally are Indians. We expect many of them to come back to India," says Communications, IT, and Railway Minister Ashwini Vaishnaw.

According to a top official in the Ministry of Electronics and Information Technology (Meity), the engineers who have decided to return to India from the

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US are younger, while those from Taiwan, Singapore, and Malaysia are generally over 45 years and with more experience. The official says that in the US, the senior and therefore older

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SCL FAB PLANT MODERNISATION MAY COST GOVT ₹20K CRORE

The government's modernisation plan for the Mohali-based Semi-Conductor Laboratory will require an investment of ₹20,000 crore for a new fabrication (fab) plant with a capacity of 20,000 wafers per month, according to government estimates. The Tata fab plant Gujarat, will produce 50,000 wafers per month.

semiconductor professionals whose families have settled down do not want to move out. But in Southeast Asia, many want to return home and are looking for opportunities. **Turn to Page 8 ▶**

Semicon...

The response to the Tata group's recruitment drive in Taiwan for its OSAT (outsourced semiconductor assembly and test) and fabrication (fab) plant is a case in point, says the Meity official. Tata Electronics held roadshows in Taiwan's chip manufacturing centre of Hsinchu to attract professionals with five to 18 years of experience in yield, automation and equipment, among other fields. The company has tied up with Taiwanese chipmaker PSMC for technology, and its engineers may undergo training with the company.

The Tata group did not respond to a query.

Applied Materials, which set up an R&D centre in Bengaluru, is another example. "Applied Materials has been in India for 21 years. We are a global company that looks to hire the best talent based on the needs of our various offices and teams around the world," says Abhay Singh, head, human resources.

Semiconductor makers need thousands of engineers and technicians, and though India has one of the largest pool of engineers in the world, they do not have experience in the semiconductor manufacturing space. So, companies have to bring in senior global talent while they build a pool in India.

Firms are putting together a multipronged approach to train local talent. Micron's ATMP (assembly, testing, marking, and packing) plant, which is under construction in Sanand in Gujarat, is expected to roll out chips by December. The initial training for those hired in India is being undertaken at its plants in Malaysia, Japan, and South Korea, as the training requires exposure to a manufacturing facility.

Micron, too, did not respond to a query.

The company has also signed an MoU with New Age Makers Institute of Technology (Namtech) in Gandhinagar to provide a pipeline of globally competitive pool of talent to the semiconductor industry. The institute is an initiative of AM/NS India and has tied up with technology firm Cisco.

Singh from Applied Materials says that there is a demand for skilled talent given India's ambition to become a global semiconductor hub. The company collaborates closely with top academic institutions like IIT Bombay, IISc Bangalore, IIT Patna, and IIT Ropar to develop a talent pipeline.

The Meity official says that other companies are likely to take advantage of such institutes and adds that the Tata group would also train some engineers at the R&D centre in Hyderabad where indigenous technology for setting up an OSAT plant is being developed. Moreover, others like Nirma University in Ahmedabad, and IIT Gandhinagar are contributing to building a local talent pool, the official adds.

However, several challenges remain. Taiwanese Minister of Foreign Trade Joseph Wu said that a cumbersome administrative structure, the lack of experienced engineers, and high tariffs on electronics component imports were some issues that needed to be resolved before Taiwanese firms would make serious investments in India's semiconductor industry.

India Vix...

BIGGEST FALL IN INDIA VIX*

The previous sharp drops have happened during elevated Vix levels

	India Vix	1-day chg (%)
7/16/2008	31.10	-37.51
5/16/2014	24.29	-33.92
5/23/2019	19.41	-29.77
1/23/2009	34.01	-25.33
8/26/2008	33.90	-24.85
7/31/2008	39.06	-24.48
11/18/2008	64.66	-24.05
8/29/2011	26.07	-21.62
4/10/2008	30.52	-20.19
2/20/2008	37.57	-19.93
5/16/2008	23.25	-19.88
4/23/2024	10.20	-19.72

*Data since 2008
Source: Bloomberg

The sudden drop in Vix could also be attributed to the reduction in lot sizes in options contracts. Investors' focus this week has shifted to earnings after turbulence fuelled by concerns about geopolitical tensions and the delay in rate cuts by the US Federal Reserve.

Also known as the fear gauge, the NSE calculates the index to measure market anticipation of volatility and fluctuations in the near term. The index is calculated based on option prices. A low reading on the index indicates that traders are not expecting wild swings in the market. Similarly, a high-

