

# Govt set to approve Micron's \$1-bn semiconductor plant

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The government is close to approving a proposal by Micron Technology to set up an assembly, testing, marking and packaging (ATMP) facility in the country involving an investment of about \$1 billion. The world's fifth largest semiconductor company, based in Idaho, USA, will use the facility to process some of its own wafers, manufactured across the globe.

"Yes, we are close to approving the proposal," a top government official told *Business Standard*, confirming that the planned investment figure was indeed around \$1 billion.

Micron did not respond to an email from *Business Standard* seeking comments.

The \$30.8 billion Micron is one of the world's largest players in mem-

ory and storage technologies, with 11 manufacturing sites spread across the US, Japan, Malaysia, Singapore, Taiwan and China. Headed by Sanjay Mehrotra, who is of Indian origin and studied at BITS Pilani, Micron has been scouting around the globe for more than a year for a place to set up a semiconductor packaging facility.

India's flagship \$10 billion semiconductor scheme offers financial incentives to set up fab plants, ATMPs, outsourced semiconductor assembly and test (OSAT) units, and chip design facilities. OSATs provide packaging and testing services for multiple customers; ATMPs are captive packaging and testing centres for a company. The government offers 50 per cent fiscal support for the capital expenditure to eligible companies setting up ATMPs or OSATs.



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■ Govt offers incentives to set up fab plants, ATMPs, OSATs and chip design facilities

■ Global OSAT-ATMP market is projected to grow to \$42 bn by 2026

■ Getting a global major to start operating in India will raise the country's standing in global semiconductor market

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## Micron...

The global OSAT-ATMP market is projected to grow to \$42 billion by 2026. ATMP players are a key link in the value chain of chip making. It is easier to set up an ATMP facility than a fab plant. Unlike a foundry or a fab plant, which requires a fabless design company such as Qualcomm or Mediatek to give them orders, ATMP players, since they make their own wafers, can sell directly to customers.

Getting a global major to start operating in India will raise the country's standing in the global semiconductor sweepstakes. The space has already attracted large business groups, such as the Tatas, which have shown interest. Others, such as HCL, Syrma Technology, SPEL Semiconductor and Valenkani Electronics, have also shown keen interest in their interactions with the government.

However, global OSAT companies, among them Taiwan's ASE Technology, Powertech, and Siliconware Precision Industries, and US-based Amkor, have kept away from this space in India.