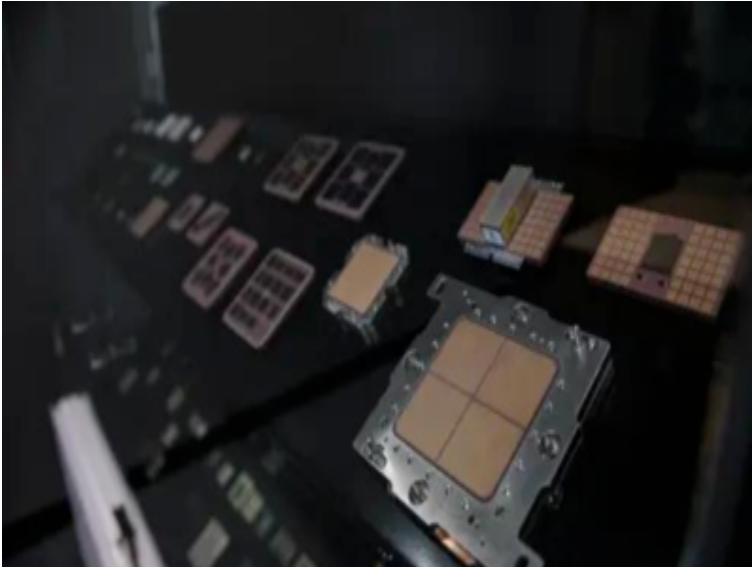


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India's first: Japanese Sharp looks to set up display fab unit

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NEW DELHI: India is headed to bag investments for the country's first display fab semiconductor unit – used for making televisions and other digital screens – with Japanese Sharp approaching the Central govt for setting up a 1,000-acres facility that will be used to cater not just to the domestic demand but also exports.

Top officials from Sharp met communications minister Ashwini Vaishnaw this week and briefed him about the company's plans that could lead to investments of over \$3-5 billion into the semiconductor manufacturing eco-system, industry sources told TOI.

Interestingly, Sharp wants to set up a unit in India that is even bigger than the display unit infrastructure that it has in its home

market Japan. "The company is scouting for land to create a large manufacturing set-up spread across 1,000 acres which will manufacture the latest-generation Series 10 displays. These are some of the most advanced display fab versions that the industry currently makes," a source said, adding that talks are also on with govts in Telangana, Gujarat, and Maharashtra for the facility.

The company has briefed the Central govt about its desire to set up the India factory as a global manufacturing hub. "Sharp officials said the proposed factory is not just for India but will also supply the display fabs across key global markets."

While discussions with the Centre have begun, a final approval to the process may take around ten months,

especially with elections underway, following which a new dispensation will come into place to take stock of active proposals. Also, govt is looking into the semiconductor incentive scheme and how new players will be rewarded.

Govt is also considering a Rs 90,000-crore proposal of Israel's chipmaker, Tower Semiconductors.

Govt's efforts to kickstart semiconductor manufacturing in the country have been on an upswing since it announced a \$10 billion incentive scheme, apart from other measures to support creation of an ancillary ecosystem and the requisite manpower needs. While American Micron was the first one to announce a mega Rs 22,500 crore semiconductor testing and packaging unit in Gujarat in June last year, govt approved three proposals worth nearly Rs 1.3 lakh crore in Feb this year.

These included a Rs 91,000 crore project of Tata Electronics to set up India's first semiconductor fab unit with Taiwanese Powerchip Semiconductor Manufacturing Corp at Dholera in Gujarat. The other proposals included Tata Semiconductor Assembly and Test (TSAT) unit in Morigaon, Assam, at an investment of Rs 27,000 crore, and CG Power's Rs 7,600 crore project with Japanese Renesas Electronics and Stars Microelectronics of Thailand.

India currently spends billions of dollars in importing semiconductor chips to meet the growing demand of industries such as electronics, automobiles, telecommunications, defence, and power equipment.

In July last year, American Advanced Micro Devices (AMD) announced a \$400 million investment into India to build its largest design centre at Bangalore. Currently, almost one-third of global semiconductor design is happening in India.