

Vivo India, Dixon form JV for mfg smartphones

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New Delhi: In a major boost for India's efforts to localise Chinese investments, smartphone giant Vivo has decided to form a joint venture with Dixon Technologies for contract manufacturing of its devices and other electronics products. Dixon will hold 51% stake in the JV, while the remaining will be with Vivo India.

Dixon and Vivo India said they entered into a binding term sheet for the proposed JV to undertake OEM business of electronic devices, including smartphones. However, neither Dixon nor Vivo India will have any stake in each other.

Dixon said the deal will not have any impact on its contract manufacturing business for other brands such as Motorola, Google Pixel and Nokia.

"The parties will agree on an optimum structure and the relevant terms and conditions to be set out in the definitive agreements. The transac-

BOOST TO LOCALISATION BID

- Dixon will hold majority stake of 51% in the joint venture and the rest will be held by Vivo India
- The facility will undertake part of Vivo's original equipment manufacturing (OEM) orders of smartphones in India

- It can also engage in OEM business of various electronic products of other brands
- Neither Dixon, nor Vivo India will have any stake in each other



This partnership will effectively complement the current manufacturing operations of Vivo India

— JEROME CHEN | VIVO INDIA CEO

tion will be subject to execution of such definitive agreements, completion of customary conditions precedent and receipt of applicable regulatory approvals including as required under the foreign exchange control laws of India," the company said.

Tata group was also believed to be looking at a deal with Vivo India, but it could not materialise.

Dixon vice chairman and MD Atul B Lall said the company sees Vivo India as an "ideal strategic partner" that shares its core values of qua-

lity, engineering prowess and customer satisfaction. "We believe that this association will bolster our manufacturing excellence and superior execution abilities and Vivo's leadership in the Indian business ecosystem."

Jerome Chen, CEO of Vivo India, said the deal with Dixon gets "rich localised management experience and outstanding professional manufacturing" prowess. "This partnership will effectively complement the current manufacturing operations of Vivo India," Chen said.