

Govt steps up efforts to attract FDI for GCCs, semicon units

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In pursuit of its \$1 trillion economy goal, the Uttar Pradesh (UP) government is stepping up efforts to attract foreign direct investment (FDI) in the Global Capability Centres (GCC) and semiconductor plants.

To this end, the Yogi Adityanath-led government has announced special incentives for semiconductor projects involving investments of ₹3,000 crore or more under the UP Semiconductor Policy 2024.

The state is also offering a wide range of incentives to attract GCC investments, including land subsidy, stamp duty exemption, capital subsidy, interest subsidy, operational expenditure subsidy, payroll subsidy, Employees' Provident Fund reimbursement, talent development incentives, R&D incentives.

Under this roadmap, semiconductor plants will be eligible for interest subsidy, employee cost reimbursement, exemption in

state goods and services tax (SGST) for a period of 10 years, 100 per cent Employees' Provident Fund (EPF) reimbursement for UP domiciles (up to ₹2,000 per month), concessions in water charges, and electricity tariff relief of ₹2 per unit for a decade.

According to UP finance and parliamentary affairs minister Suresh Khanna, the state cabinet has cleared the proposal for incentives on a case-to-case basis. He said semiconductor manufacturing is expanding rapidly in developed economies such as the United States, Europe, Japan and Taiwan, and Uttar Pradesh aims to align itself with this global trend

by positioning the state as a key hub for the emerging semiconductor industry.

Mukesh Bahadur Singh, chairman of the UP coordination committee of the Indo-American Chamber of Commerce, said the state is emerging as a potential semiconductor fabrication hub, and it will support India's ambitions towards self-reliance while generating large-scale employment.