

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:1799

ANSWERED ON:10.08.2011

SETTING UP OF SEMI CONDUCTOR PLANTS

Adhalrao Patil Shri Shivaji; Dharmshi Shri Babar Gajanan; Yadav Shri Dharmendra

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

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- (a) whether demand of electronics is growing day by day but the country is importing most of the products;
- (b) if so, the details thereof;
- (c) whether the Government proposes to set up semi-conductor wafer fabrication plants for manufacturing electronic chip in the country to meet the growing demand;
- (d) if so, the details thereof and the action taken in this regard so far; and
- (e) the time by which such plants are likely to be set up in the country?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT)

(a) and (b): Yes, Sir. As per the estimates of the Task Force set up by Department of Information Technology, the demand for electronics in the country is expected to rise from USD 45 Billion in 2009 to USD 400 Billion by 2020. The domestic production of electronics was estimated to be USD 20 billion and export of electronics is USD 4.4 billion in 2009 and the remaining demand was met from import.

(c),(d) and (e): Yes, Sir. An Empowered Committee was set up to identify technology and investors for setting up of two Semiconductor Wafer Fabrication manufacturing facilities in the country with the following mandate:-

- (i) Recommend the sequence/priority between the proposed Fab-1 and Fab-2 facilities;
- (ii) To identify technology and potential investors for establishment of Semiconductor Wafer Fabs, and thereafter ascertain their interest in setting up Semiconductor Fab facilities in India;
- (iii) To assess and recommend the nature and quantum of Government support such as equity/grant/subsidy in physical/financial terms that may be required to translate the interest into investment; and
- (iv) To recommend to the Government the course of action with regard to the nature and quantum of Government support such as equity/grant/subsidy in physical/financial terms and the procedure for finalisation of terms and conditions of investment with the potential investor/investors.

The Empowered Committee has held meetings on 30th May 2011 and 5th August 2011. Based on the decisions of the Empowered Committee, an announcement enunciating broad value proposition of Fab in India and inviting responses, was published in national & international publications and websites. Also, the communication has been sent to leading companies soliciting interest.