MINISTÈRE DE L'ÉCONOMIE, DES FINANCES ET DE LA RELANCE
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REVUE DE PRESSE SECTORIELLE NUMERIQUE

UNE PUBLICATION DU SERVICE ÉCONOMIQUE REGIONAL DE NEW DELHI

N° 19 20 Janvier- 16 Fevrier 2022

En bref

NUMÉRIQUE :

- L'Inde prévoit de modifier son droit du travail afin de soutenir la production domestique d'appareils électroniques.
- Le budget 2022-23 comporte de nombreuses annonces pour le numérique : cryptos, 5G, paiements numériques, drones, epasseports, centres de données, etc.
- L'IISc met en service l'un des supercalculateurs les plus puissants d'Inde, Param Pravega, construit par Atos dans le cadre de la National Super Computing Mission.
- Incertitudes sur les modalités d'application de l'accord OCDE sur la taxation des multinationales vis-à-vis de l'*equalisation levy* prélevé en Inde depuis juin 2016.
- Vedanta crée une co-entreprise avec Foxcon dans l'objectif de fabriquer des semiconducteurs en Inde, pour un investissement maximal de 7 Mds EUR.

TÉLÉCOMMUNICATIONS:

- Google investit 700 M USD dans Airtel, et prévoit des investissements supplémentaires sous 5 ans à hauteur de 300 M USD dans le cloud la démocratisation des smartphones et la 5G.
- Reliance Jio Platforms et la société luxembourgeoise SES créent une co-entreprise 51/49 pour fournir des services internet par satellite en Inde.

Revue de presse

1. NUMÉRIQUE

Changes in labour rules, PLI on cards for electronics push

ET Bureau, 25/01/2022

India is planning to make changes to its labour regulations in order to facilitate global value chains to set up large manufacturing units that would employ between 40,000 and 100,000 employees.

The government is also likely to make changes to the production-linked incentives (PLI) scheme for IT hardware in the next three months to attract more investments. This is part of concerted moves to ramp up domestic electronics manufacturing by over four times to $300 billion by 2025-26, including a 10-fold jump in exports.

"I discussed the issue of setting up manufacturing units, with a footprint of over 40,000 and up till 1 lakh, with the labour minister (Bhupendra Yadav) ," communications & IT minister Ashwini Vaishnaw told reporters on Monday.

The discussions have revolved around resolving labour, regulatory, housing and industrial zone issues. For example, such a large labour force cannot travel to work daily. It needs to be housed on campus, with the requisite facilities. Vaishnaw pointed out that campus housing as desired by the industry is not permitted under current laws.

A MEITY-ICEA REPORT MENTIONS THE NEED TO…

Work on cost disabilities visà-vis China and Vietnam

Build an early stage component ecosystem

Increase competitiveness for ease of doing business

Address legacy issues of tax, import tariffs on components

Remove the occasional egulatory uncertainty

In China, which is the hub of global electronics manufacturing, there are factories with as many as 400,000 living on the premises.

Vaishnaw said the labour ministry's response was very positive. "The labour minister feels this is a highly doable thing and doesn't require any major change in the legal framework or in rules," he said.

Vaishnaw said he has received a commitment from Yadav that changes will be made to rules and regulations, or even the law, if required.

The industry has sought a housing/dormitory policy for such industrial units.

10-fold Jump in Exports

Also, the government needs to be mindful of potential law and order issues related to such a large gathering of workers, besides providing basic infrastructure such as hospitals.

All this is required if India wants to scale up local electronics manufacturing to $300 billion worth of goods, from $67.3 billion in FY20-21, says the industry. The target includes a 10-fold jump in exports to over $120 billion in 2025-26, from the $10.6 billion in 2020-21, as per a report jointly prepared by India Cellular & Electronics Association (ICEA) and ministry of electronics & IT (MeitY).

The report, released on Monday by Vaishnaw and minister of state for IT Rajeev Chandrasekhar, has pegged mobile phone manufacturing as the growth engine for local electronics production, with a target of $126 billion for FY26, followed by electronics

hardware & IT, along with industrial electronics, at $25 billion each.

The world's largest contract manufacturer, Taiwan's Foxconn, is also India's largest — employing some 17,000 employees in one of its three factories. Peers such as Wistron have also set up shop in the country. Taiwan's Pegatron, Apple's second-largest contract manufacturer, is also in the process of starting a factory in India.

Need for More

While the government's marquee mobile phone PLI scheme appears to be on track, it is yet to pick up pace in other sectors, say industry executives.

For instance, the government had set an outlay of Rs 7,325 crore under the IT hardware PLI scheme to achieve a total production of Rs 3.26 lakh crore. However, the participants — including the likes of manufacturing majors Dell, Flex, Foxconn and Wistron — have committed to production worth only Rs 1.60 lakh crore, just about half of the target.

Apple, one of the major makers of tablets and laptops, has given this scheme a complete miss.

ET had earlier reported that industry associations have sought doubling of the incentive rate from 2.3% and expanding of the corpus to Rs 20,000 crore.

Chandrasekhar said the government is reviewing the scheme and will come out with tweaks in the next three months.

On a question of Chinese companies in India facing rising scrutiny, especially with the tax authorities, Chandrasekhar said the PLI schemes didn't bar any company based on their geography.

In the current pandemic times especially, the MoS said, the government wants trust in value chains operating out of India. "Any investment or partner that meets the requirement can manufacture," he said.

About a month ago, the Income Tax Department raided the premises of top Chinese smartphone brands Xiaomi and Oppo, which officials said followed "intelligence inputs" suggesting concealment of income and evasion of taxes by the companies.

Both have denied any wrongdoing and said they are cooperating with the authorities.

Light Touch Regulation

Vaishnaw also said the telecom department will not regulate mobile phone manufacturing. "The telecom department is not going to enter mobile manufacturing at all. That regime is not going to change...We want light touch regulation here," he said.

His comments came amid industry concerns that there could be heavy regulations if the Department of Telecommunications (DoT) decides to control mobile manufacturing activities as well. Currently, MeitY is the nodal body for mobile phone manufacturing.

The telecom engineering wing of DoT, through a notification in September, brought testing of consumer electronic products under its ambit. These products, such as laptops, smart watches, tablets and mobile phones, were being tested and certified safe according to Indian standards by MeitY. The industry requested a rollback of the notification as it would impede ease of doing business and complicate the certification process, while increasing compliance burden.

The MeitY-ICEA report has also outlined a consistent tariff structure, removal of import tariffs on components, ease of doing business, expanding PLI schemes to newer product categories and helping Indian champions as some of the focus areas requiring immediate attention.

Budget 2022-23 Tech Round-Up: Crypto, 5G Auctions, Drones, Digital Universities, E-Passports, Open Mobility, BharatNet, And More

Medianama, 02/02/2022

In a speech where the words "technology," "tech," and "digital" were mentioned over 50 times collectively, it's hard to keep track of all that was announced. Here's a round-up of all the announcements Finance Minister Nirmala Sitharaman made in her Budget 2022-23 speech in Parliament that have to do with tech and tech policy.

All announcements related to tech and tech policy.

Crypto :

- RBI will launch a digital rupee in 2022-23: The RBI will launch a Central Bank Digital Currency (CBDC) using blockchain technology in 2022-23, Sitharaman said. This will "give a big boost to the digital economy" and "digital currency will also lead to a more efficient and cheaper currency management system", she said.
- 30 percent taxation of virtual digital assets: Given the "phenomenal increase in transactions in virtual digital assets", the government has decided to tax any income from the transfer of any virtual digital asset at the rate of 30 percent, Sitharaman said. There will be no deduction in respect of any expenditure except the cost of acquisition and loss from the transfer of virtual digital assets cannot be set off against any other income, she added. Furthermore, TDS on payment made in relation to transfer of these assets will be taxed at the rate of 1 percent and virtual digital assets given as gifts will be taxed in the hands of the recipient, Sitharaman said.

Telecom :

- 5G spectrum auction: The government will conduct the required spectrum auctions for 5G in 2022 to facilitate the rollout of 5G mobile services within 2022- 23, Sitharaman said.
- PLI for 5G ecosystem: "A scheme for design-led manufacturing will be launched to build a strong ecosystem for 5G as part of the Production Linked Incentive Scheme," Sitharaman announced.
- Completion of Bharatnet fibre laying project in 2025: The government's Bharatnet project, which aims to lay optical fibre in all villages across India, will be completed by 2025 and contracts for the same will be awarded through PPP in 2022-23, Sitharaman said.
- 5 percent of Universal Service Obligation Fund will be used for improving broadband services: "To enable affordable broadband and mobile service proliferation in rural and remote areas, five per cent of annual collections under the Universal Service Obligation Fund will be allocated. This will promote R&D and commercialization of technologies and solutions," Sitharaman said.

Banking and Payments :

- Post offices accounts will be able to participate in online transfers with banks: All post offices will come on the core banking system enabling financial inclusion and access to accounts through net banking, mobile banking, ATMs, and also provide online transfer of funds between post office accounts and bank accounts, Sitharaman said. "This will be helpful, especially for farmers and senior citizens in rural areas, enabling interoperability and financial inclusion," she added.
- Setting up of Digital Banking Units: To encourage that the benefits of digital banking, digital payments and fintech

innovations reach everyone, the government will set up 75 Digital Banking Units (DBUs) in 75 districts of the country by Scheduled Commercial Banks, Sitharaman said. "I welcome the Government's decision to set up 75 banking units in 75 districts.

- Financial support for digital payment adoption will continue: "The financial support for the digital payment ecosystem announced in the previous Budget will continue in 2022-23. This will encourage further adoption of digital payments. There will also be a focus to promote the use of payment platforms that are economical and user friendly," Sitharaman said.

Education :

- Digital University: The government will establish a digital university to provide access to students across the country to "world-class quality universal education with a personalised learning experience," Sitharaman said. "This will be made available in different Indian languages and ICT formats. The University will be built on a networked hub-spoke model, with the hub building cutting edge ICT expertise. The best public universities and institutions in the country will collaborate as a network of hub-spokes," she explained.
- Virtual science and math labs: "To promote crucial, critical thinking skills, to give space for creativity, 750 virtual labs in science and mathematics, and 75 skilling e-labs for a simulated learning environment, will be set up in 2022-23," Sitharama announced.
- High-quality digital content: The government will develop high-quality e-content in all spoken languages for consumption through the internet, mobile, TV, and radio through digital teachers, Sitharaman said. "A competitive mechanism for the development of quality e-content by the teachers will be set up to empower and equip them with digital tools of teaching and facilitate better learning outcomes," she added.
- World-class institutes in GIFT City: The government will allow world-class foreign universities and institutions to set up shop in Gujarat International Finance Tec (GIFT) City free from domestic regulations except for those by International Financial Services Centres Authority (IFSCA), Sitharaman said. These institutes will offer courses in financial management, FinTech, science, technology, engineering and mathematics to facilitate the availability of high-end human resources for financial services and technology, she added.

AI, drones, geospatial, space, economy, AVGC and other sunrise sectors :

- Kisan Drone for agriculture: The government will promote the use of "Kisan Drones" for crop assessment, digitisation of land records, spraying of insecticides, and nutrients, Sitharaman said. Earlier this month, the Ministry of Agriculture and Farmers Welfare said that it will provide financial assistance for the purchase, hiring, and demonstrations of agriculture drones.
- Promoting Drone-as-a-Service through a new initiative: The government is launching a new initiative called Drone Shakti that aims to promote drones as a service (DrAAS)through startups, Sitharaman said.
- A task force will be set up for the animation, visual effects, gaming, and comic (AVGC) sector: The AVGC sector offers immense potential to employ youth and a promotion task force with all stakeholders will be set up to recommend ways to realise this and build domestic capacity for serving our markets and the global demand, Sitharaman said.
- Support policies and light-touch regulations for sunrise sectors: "Artificial Intelligence, Geospatial Systems and Drones,

Semiconductor and its eco-system, Space Economy, Genomics and Pharmaceuticals, Green Energy, and Clean Mobility Systems have immense potential to assist sustainable development at scale and modernize the country. They provide employment opportunities for youth, and make Indian industry more efficient and competitive," Sitharaman said while announcing that "supportive policies, light-touch regulations, facilitative actions to build domestic capacities, and promotion of research & development" will be introduced to grow these sectors.

- Blended finance: To encourage investments in important sunrise sectors such as climate action, deep-tech, digital economy, pharma, and agri-tech, the government will promote thematic funds for blended finance with the government share being limited to 20 per cent and the funds being managed by private fund managers, Sitharaman said. "Government-backed funds NIIF and SIDBI Fund of Funds have provided scale capital creating a multiplier effect," she said.

Transport :

- Open mobility stack to enable seamless travel: The government will facilitate an open-source mobility stack for seamless travel of passengers, Sitharaman said. This will work similarly to the open-mobility network that Kochi is experimenting with, which facilitates a cashless transit across multiple modes of public transport wherein citizens will be able to avail any service using a single open-mobility network app.
- Unified Logistics Interface Platform: As part of the PM GatiShakti initiative, which focuses on the development of roads, railways, airports, ports, mass transport, waterways, and logistics, the government will launch a Unified Logistics Interface Platform (ULIP) that will facilitate data exchange among all mode operators using Application Programming Interfaces (APIs), Sitharaman said. "This will provide for efficient movement of goods through different modes, reducing logistics cost and time, assisting just-in-time inventory management, and eliminating tedious documentation. Most importantly, this will provide real-time information to all stakeholders, and improve international competitiveness," she added.

Data centers :

- Infrastructure status for data centres: The government has included data centres in the harmonised list of infrastructure to facilitate better credit availability for digital infrastructure, Sitharaman said.

Electronics manufacturing :

- Duty concession and recalibration of custom duty: In order to support the growth of electronic manufacturing, customs duty rates are being calibrated to provide a graded rate structure to facilitate domestic manufacturing of wearable devices, hearable devices and electronic smart meters and duty concessions are also being given to parts of the transformer of mobile phone chargers and camera lens of mobile camera module and certain other items, Sitharaman said.

Startups :

- Expert committee to help scale up investments in startups: "Venture Capital and Private Equity invested more than Rs. 5.5 lakh crore last year facilitating one of the largest start-up and growth ecosystems. Scaling up this investment requires a holistic examination of regulatory and other frictions. An expert committee will be set up to examine and suggest appropriate measures," Sitharaman said.

- Increasing eligibility period for tax incentives: "Eligible start-ups established before 31.3.2022 had been provided with a tax incentive for three consecutive years out of ten years from incorporation. In view of the Covid pandemic, I propose to extend the period of incorporation of the eligible start-up by one more year, that is, up to 31.03.2023 for providing such tax incentives," Sitharaman said.

Health :

- National Digital Health Ecosystem will be rolled out: "An open platform for the National Digital Health Ecosystem will be rolled out. It will consist of digital registries of health providers and health facilities, unique health identity, consent framework, and universal access to health facilities," Sitharaman said.

Ease of doing business :

- Digitise manual processes and integrate central and state-level systems: To further reduce paperwork and increase ease of doing business, the government will get all states to digitise manual processes and interventions, integrate the central and state-level systems through IT bridges, provide single point access for all citizen-centric services, and remove overlapping compliances, Sitharaman said.

e-Passport :

- Passports with embedded chips will be issued: The government will start issuing e-Passports using embedded chips and futuristic technology to enhance convenience for the citizens in their overseas travel, Sitharama announced.

Micro, Small and Medium Enterprises (MSME) :

- Interlinking various digital portals: The government plans to interlink its various digital portals – Udyam, e-Shram, NCS and ASEEM, to widen their scope. "They will now perform as portals with live, organic databases, providing G2C, B2C and B2B services. These services will relate to credit facilitation, skilling, and recruitment with an aim to further formalise the economy and enhance entrepreneurial opportunities for all," Sitharaman said.

Skill Development :

- New e-portal to be launched for skill development: The government will launch the DESH-Stack portal "to empower citizens to skill, reskill or upskill through online training," Sitharaman said. The portal provides API-based trusted skill credentials and discovery layers to find relevant jobs and entrepreneurial opportunities, she added.

Land Records Management :

- Adoption of Unique Land Parcel Identification Number will be encouraged: In order to ensure the efficient use of land resources, the government will encourage states to adopt Unique Land Parcel Identification Number (ULPIN) to facilitate IT-based management of records and a facility for transliteration of land records across any of the Schedule VIII languages will be rolled out, Sitharaman said.
- Linkage with NGDRS will be encouraged: The government will encourage the adoption or linkage with National Generic Document Registration System (NGDRS) using the "One-Nation One-Registration Software" to ensure a uniform process for registration and "anywhere registration" of deeds & documents, Sitharaman said.

Government Procurement :

- e-Bill system for all government procurement to enhance transparency: "To enhance transparency and to reduce delays in payments, a completely paperless, end-to-end online e-Bill System will be launched for use by all central ministries for their procurements. The system will enable the suppliers and contractors to submit online their digitally signed bills and claims and track their status from anywhere," Sitharaman said.

Agriculture :

- Funds for agritech startups: Sitharaman said that a fund will be facilitated through NABARD to finance startups that focus on agriculture-related activities including support for FPOs, machinery for farmers on a rental basis at farm level, and technology including IT-based support.
- PPP model for delivery of digital services to farmers: "For delivery of digital and hi-tech services to farmers with the involvement of public sector research and extension institutions along with private agri-tech players and stakeholders of agri-value chain, a scheme in PPP mode will be launched," Sitharaman said.

Electric Vehicles :

- Battery Swapping Policy: "Considering the constraint of space in urban areas for setting up charging stations at scale, a battery swapping policy will be brought out and interoperability standards will be formulated. The private sector will be encouraged to develop sustainable and innovative business models for Battery or Energy as a Service," Sitharaman said.

IISc commissions Param Pravega, one of the most powerful supercomputers in India

ET Bureau, 04/02/2022

Bengaluru: The Indian Institute of Science (IISc) has installed and commissioned Param Pravega, one of the most powerful supercomputers in India, and the largest in an Indian academic institution under the National Supercomputing Mission (NSM).

The system, which is expected to power diverse research and educational pursuits, has a total supercomputing capacity of 3.3 petaflops (1 petaflop equals a quadrillion or 10^{15} operations per second), the premier science research institution based in Bengaluru, said in a press release.

It has been designed by the Centre for Development of Advanced Computing (C-DAC). A majority of the components used to build this system have been manufactured and assembled within the country, along with an indigenous software stack developed by C-DAC, in line with the Make in India initiative, it added.

The NSM is steered jointly by the department of science and technology (DST) and ministry of electronics and information technology (MeitY), and implemented by C-DAC and IISc. The Mission has supported the deployment of 10 supercomputer systems so far at IISc, IITs, IISER Pune, JNCASR, NABI-Mohali and C-DAC, with a cumulative computing power of 17 petaflops.

About 31, 00,000 computational jobs have successfully been carried out by around 2,600 researchers across the country to date. These systems have greatly helped faculty members and students carry out major R&D activities, including developing platforms for genomics and drug discovery, studying urban environmental issues, establishing flood warning and prediction systems, and optimising telecom networks, IISc said in the press release.

The Param Pravega system at IISc is a mix of heterogeneous nodes, with Intel Xeon Cascade Lake processors for the CPU nodes and NVIDIA Tesla V100 cards on the GPU nodes. The

hardware consists of an ATOS BullSequana XH2000 series system, with a comprehensive peak compute power of 3.3 petaflops. The software stack on top of the hardware is provided and supported by C-DAC. The machine hosts an array of program development tools, utilities, and libraries for developing and executing High Performance Comuting (HPC) applications, it said.

IISc already has a cutting-edge supercomputing facility established several years ago. In 2015, the Institute procured and installed SahasraT, which was at that time the fastest supercomputer in the country.

Faculty members and students have been using this facility to carry out research in various impactful and socially-relevant areas. These include research on Covid-19 and other infectious diseases, such as modelling viral entry and binding, studying interactions of proteins in bacterial and viral diseases, and designing new molecules with antibacterial and antiviral properties.

Researchers have also used the facility to simulate turbulent flows for green energy technologies, study climate change and associated impacts, analyse aircraft engines and hypersonic flight vehicles, and many other research activities. These efforts are expected to ramp up significantly with Param Pravega, the press release said.

Big Tech firms play it safe, await clarity before adjusting India taxes

ET Tech, 10/02/2022

Large US multinationals such as Google, Facebook, Twitter, Amazon, and Apple have decided not to create deferred tax assets or capitalise them in their accounting statements for next year till they have more clarity around India's stand on equalisation levy, according to tax advisors.

India in November last year said that it would adjust the 2% levy collected from US multinationals against future tax liabilities once clarity emerges around 'pillar one' under the OECD's BEPS framework.

"India has said that the 2% equalisation levy it has collected from US multinationals will be adjusted against future tax liabilities of these companies. This would mean that India's tax revenues from OECD's pillar one, whenever it's introduced and implemented, will be reduced to the tune of the total equalisation levy collected," said Ajay Rotti, partner with tax advisory firm Dhruva Advisors.

Experts say the way things are evolving at the OECD and if one takes the government's decision not to introduce anything around pillar one, SEP or other unilateral measures in the Budget, it's clear that the Indian government too is waiting for some more clarity.

"Going ahead, India will not just have to withdraw these unilateral measures relating to digital services taxes, such as the equalisation levy, it may also require adjustment with respect to the money collected against the future pool that it will collect under pillar one," said Paras Savla, partner at KPB & Associates.

So, for instance, after the OECD deal is implemented, India's share of, say, a multinational's global revenue comes to Rs 150 crore.

And if India has already collected Rs 50 crore, then the country will only get Rs 100 crore from the kitty. The multinationals will be able to take credit for the remaining amount—Rs 50 crore—in the US and reduce their tax liability.

This could also mean that the multinational can start reflecting this amount on their asset side, once the clarity emerges, say tax experts.

Since June 1, 2016 (when 6% EL was introduced) till December 31, 2021, Google has paid more

than Rs 3,200 crore towards 6% equalisation levy on digital advertising services payment made from India.

For 2% EL from April 2020 (when 2% EL was introduced) till December 31, 2021, Google has paid around Rs 500 crore on all other digital services (including offshore ads seen in India).

Google, Netflix, and Twitter spokespersons refused to comment on the story, while **Amazon and Apple did not respond to ET's** queries.

Technically, multinationals can create tax assets or reflect the equalisation levy paid in India on their assets, a person with direct knowledge of the matter said.

However, in the last few weeks, all large multinationals have been advised by their tax advisors and auditors to take a cautious call.

"These companies will have to at least wait for a year, before we get more clarity. Many companies also want the Indian government to either refund or adjust the 6% equalisation levy too," a tax advisor advising one of the large US multinationals said.

In 2020, the government expanded the scope of the equalisation levy in a bid to tax internet giants' digital advertising revenues from India to include any purchase by an Indian or India-based entity through an overseas ecommerce platform.

Now the equalisation levy of 2% is also applicable on all online sales of goods or services, any purchase that has been made online, online payments and even an offer that's been accepted online.

The OECD recently brought together 136 countries to accept a deal to ensure that large multinationals pay a minimum tax of 15% on their global incomes from 2023, and those with profits above a threshold will have to pay taxes in the markets where they conduct business.

The new OECD framework would mean that large companies will have to disclose their global revenues and pay taxes on them. India became part of the deal with the hope that it could increase its revenues from taxing large multinationals in the years to come.

Vedanta, Foxconn to form joint venture to manufacture semiconductors in India

ETBureau, 14/02/2022

Anil Agarwal's Vedanta group and Hon Hai Technology Group ("Foxconn") have entered into a pact to form a joint venture company that will manufacture semiconductors in India.

According to the MOU signed between the two companies, Vedanta will hold the majority of the equity in the JV, while Foxconn will be the minority shareholder. Vedanta Chairman Anil Agarwal will be the Chairman of the joint venture company.

This marks the first major announcement after the Indian government launched Rs 76,000 crore production-linked incentive (PLI) scheme for the sector. The new incentives package is aimed at creating a comprehensive ecosystem for semiconductor chip design, packaging and manufacturing that can attract global investment. The funding, which will be provided over a period of six years, is expected to bring in investment of up to Rs 1.7 lakh crore.

Vedanta group had in December said that it will invest up to Rs 60,000 crore to set up chip and glass manufacturing ecosystem in India over the next three years. This is Agarwal's second attempt at brining semiconductor investments in India

As per the official statement released on Monday, the targeted project plans to invest in manufacturing semiconductors. It will provide a significant boost to domestic manufacturing of electronics in India.

As per the official statement released on Monday, the targeted project plans to invest in manufacturing semiconductors. It will provide a significant boost to domestic manufacturing of electronics in India.

Vedanta group said that discussions are currently ongoing with a few state Governments to finalize the location of the plant.

The collaboration between Vedanta and Foxconn follows the India Government's recent policy announcement for Electronics Manufacturing & PLI scheme for incentivizing organizations to contribute towards development of this sector. This will be the first joint venture in the electronics manufacturing space after the announcement of the policy.

Union Minister for Electronics and Information Technology Ashwini Vaishnaw earlier told ET the government would not only provide infrastructure support but also fast-track clearances, with approvals coming in for a large chip manufacturing facility in the next "four to six" months,

Under the scheme, the government will fund 50% of the project on an equal rights basis for companies that are "found eligible"

The Indian government is aiming to woo semiconductor companies like TSMC and Intel along with display manufacturers with the new scheme. Taiwanese manufacturers Taiwan Semiconductor Manufacturing Company (TSMC) and United Microelectronics Corporation (UMC) are reportedly exploring investments for chip manufacturing in India through possible partnerships.

The government in December said that it will work closely with the state governments to establish "High-Tech Clusters" with requisite infrastructure in terms of land, semiconductor grade water, high quality power, logistics and research ecosystem to approve applications for setting up at least two greenfield semiconductor fabs and two display fabs in the country.

2. Télécommunications

India's Airtel gets $1B deal boost from Google

LightReading, 31/01/2022

Internet and technology bellwether Google will invest up to $1 billion in Bharti Airtel, India's second-largest service provider.

As part of the agreement, Google will spend $700 million acquiring a 1.28% stake in Airtel, and will spend another $300 million over the next five years on commercial agreements.

The two companies will work together on various fronts, including accelerating the cloud ecosystem for enterprise, enabling affordable access to smartphones across different price ranges, and also creating India-specific use cases for 5G and other standards.

However, unlike its partnership with Reliance Jio, Google and Airtel will not be developing an affordable smartphone, but instead working with device makers to bring down cost.

This investment is part of the Google for India Digitization Fund, announced in 2020. As part of this initiative, the company will be investing $10 billion in several initiatives to support the digitization of the country.

Significantly, Airtel also revealed that it is "already using Google's 5G-ready Evolved Packet Core and Software Defined Network Platforms and plans to explore scaling up the deployment of Google's network virtualization solutions."

Old friends

Airtel and Google have collaborated in the past. In 2013 they entered into a partnership to provide Airtel's subscribers free access to some of Google's products. And they partnered, along with Cisco, in 2021 to offer products to small and medium enterprises.

"Airtel is a leading pioneer shaping India's digital future, and we are proud to partner on a shared vision for expanding connectivity and ensuring equitable access to the Internet for more Indians," said Sundar Pichai, Google and Alphabet CEO, in a statement.

Google has also invested in Reliance Jio, India's largest service provider. It acquired a 7.73% stake in Jio by investing $4.5 billion in 2020. The two companies produced the JioPhone Next, an affordable 4G smartphone.

"Airtel and Google share the vision to grow India's digital dividend through innovative products. With our future-ready network, digital platforms, last-mile distribution and payments ecosystem, we look forward to working closely with Google to increase the depth and breadth of India's digital ecosystem," says Sunil Bharti Mittal, chairman of Bharti Airtel.

Why is it relevant?

With almost 700 million people yet to be connected, India is an incredibly lucrative market for hyperscalers like Google, Amazon and Facebook.

Besides this, COVID-19 has pushed Indian enterprises to digitize operations, and this has increased the enterprise market size.

Forming associations with service providers helps internet companies promote their products, and gives them access to new internet users.

This is especially true because India is a mobile-first country for the Internet – in other words a significant percentage of the population start using the internet for the first time on mobile.

Most of the yet-to-be-connected people are in remote and rural areas, and this population will likely use mobile to access the Internet. Collaborating with Airtel helps Google ensure that these new users will use Google products. They are also able to ensure that a growing number of enterprises use their products as digitization gathers pace.

Meanwhile, Airtel will be able to use the funds to expand the 4G network to move its 2G subscribers over, and also upgrade and modernize its network for 5G.

Over the past few months, Airtel has enhanced its focus on the enterprise segment, and some of the funds might be used to develop 5G use cases for the more lucrative enterprise market.

It is hard not to think about Vodafone Idea, India's third-largest service provider, which has been struggling to acquire investment for quite some time now, while its rivals are easily able to attract funds.

Jio Platforms and SES form JV to deliver satellite-based broadband services across India

LiveMint, 14/02/2022

Reliance Industries Ltd (RIL) on Monday announced that Jio Platforms Ltd (JPL) and SES, a global satellite-based content connectivity solutions provider, have formed Joint Venture (JV) for satellite-based broadband services. Jio Platforms will own 51% & SES 49% in the JV firm, Jio Space Technology Limited.

"The joint venture will use multi-orbit space networks that is a combination of geostationary (GEO) and medium earth orbit (MEO) satellite constellations capable of delivering multi-gigabit links and capacity to enterprises, mobile backhaul and retail customers across the length and breadth of India and neighbouring regions," RIL said in an exchange filing today.

The joint venture will be the vehicle for providing SES's satellite data and connectivity services in India, except for certain international aeronautical and maritime customers who may be served by SES.

Further, it will have availability of up to 100 Gbps capacity from SES and will leverage Jio's premiere position and sales reach in India to unlock the market opportunity, the Mukesh Ambani-led conglomerate added.

"As part of investment plan, the joint venture will develop extensive gateway infrastructure in India to provide services within the country. Jio, as an anchor customer of the joint venture, has entered into a multi-year capacity purchase agreement, based on certain milestones along with gateways and equipment purchase with total contract value of circa $100 million," the statement added.

The joint venture will leverage SES-12, SES's high-throughput GEO satellite serving India, and O3b mPOWER, SES's next-generation MEO constellation, to extend and complement Jio's terrestrial network, increasing access to digital services and applications. Jio will offer managed services and gateway infrastructure operations services to the joint venture, it added.

In January this year, Jio's rival Airtel had announced JV with Hughes Communications India to provide satellite broadband services in India, to offer flexible and scalable enterprise networking solutions using satellite connectivity for primary transport, back-up and hybrid implementation.

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Responsable de la publication : Service économique de New Delhi
Rédacteurs : Feli VISCO, Thomas SALEZ
Pour s'abonner : Contacter le SER de New Delhi
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