

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

UNSTARRED QUESTION NO:2144  
ANSWERED ON:14.03.2007  
SEMI- CONDUCTOR MANUFACTURING SECTOR  
Singh Shri Sugrib

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

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- (a) whether the Government has announced special incentive package for semi-conductor manufacturing sector;
- (b) if so, the details in this regard;
- (c) the extent to which manufacturing units of semi-conductor will be increased; and
- (d) the estimated investment and employment likely to be generated as a result thereof?

**Answer**

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY(DR. SHAKEEL AHMAD)

(a) to (b): The Government has accorded approval to the Special Incentive Package Scheme to attract investments for setting up Semiconductor Fabrication and other micro and nano technology manufacture industries in India. The incentive would be 20% of the capital expenditure if the units are set up in the Special Economic Zones (SEZ). For units set up outside SEZ, the incentive would be 25% of the capital expenditure plus exemption from countervailing duty (CVD). `Fab units` with threshold Net Present Value (NPV) investment of Rs.2500 crore would be covered by the Special Incentive Package Scheme. For other units in the eco- system, there would be a threshold NPV investment of Rs.1000 crore. The details to implement the scheme are being finalized.

(c) to (d): The extent to which manufacturing units of semiconductor will be set up would depend upon the response of the investors to make such investments following the approval of this Scheme. The investment and employment which will be generated will depend upon the number of such units set up.