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COUNTRY DOSSIER

Taiwan

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Country Dossier – Taiwan

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As Taiwan views India as its next growth frontier, the two countries are seeing growing synergies in the business world. More than 250 Taiwanese companies in India have made a combined investment of around USD 4 billion in India. According to the Taiwan government's official data, India is its 17th-largest trading partner and 14th-largest export destination. Companies such as Foxconn and Pegatron have a significant presence in the southern Indian states of Tamil Nadu, Telangana, and Karnataka. Foxconn has consistently made headlines in India for its massive investments and partnerships as it looks to diversify its supply chain operations outside of China. Similarly, Taiwanese electric vehicle component companies are interested in India and are looking to relocate their manufacturing bases to India to reduce their exposure to the Chinese market.

Sectoral Synergies

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Manufacturing

- Foxconn plans to invest an additional USD 1.67 billion in Karnataka. In August 2023, Foxconn invested USD 600 million in two projects to make casing components for iPhones and chip-making equipment in Karnataka. The Taiwan-based company, which assembles around 70 % of iPhones and is the world's largest contract manufacturer, has been diversifying production away from China following COVID-19 disruptions and geopolitical tensions. It has rapidly expanded its presence in India in recent years by investing heavily in manufacturing facilities in southern India.

- Foxconn has partnered with HCL Group for semiconductor assembly and testing, which is the second attempt by the Taiwanese company to enter the chip-making space in India. The tie-up is likely to help Foxconn cement its position as a technology leader in the semiconductor space as well, thereby increasing its options of tying up with core chip fabrication companies.

- Tata Electronics will acquire Wistron Corp's India manufacturing business for an estimated USD 125 million. This will make Tata Electronics the first Indian entity to make iPhones for the domestic and global markets. It will join an exclusive club of iPhone assemblers, whose members are Foxconn, Pegatron, Luxshare, and the outgoing Wistron.

- Taiwan's Pou Chen Group, touted as the world's largest manufacturer of casual and athletic footwear for leading brands, has signed a MoU to invest USD 280mn in Tamil Nadu over 12 years.

EVs

- Taiwan's Gogoro is looking to scale up investments in the Indian market to make electric two-wheelers locally and set up a battery-swapping network to support these vehicles over the next few years. NASDAQ-listed Gogoro has already firmed up plans to invest USD 1.5 billion in Maharashtra to manufacture vehicles and establish swapping stations by the decade's end. The company plans to make additional investments to grow its footprint in other states, targeting a sizeable presence in India's top 10 cities in the next five years.

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