

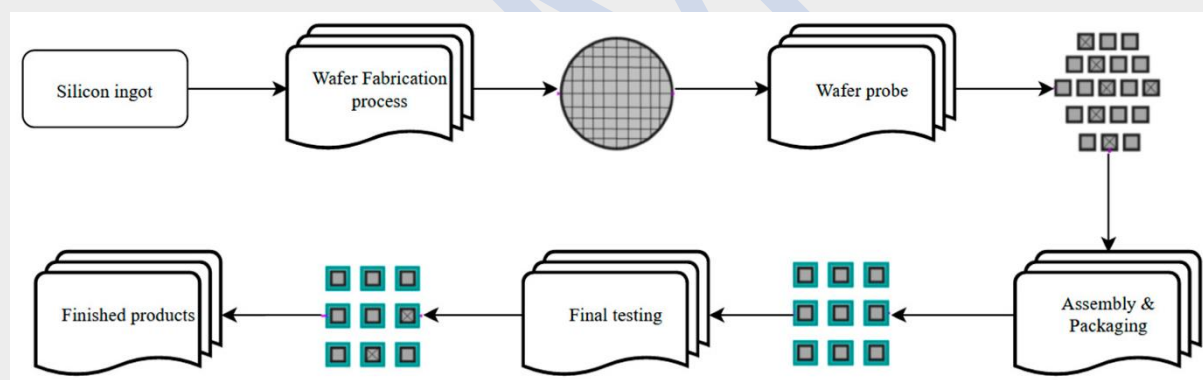
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1. India plans \$15 billion second push for chipmaking. Here's what to know**Why in News?**

The government plans to increase the funding outlay for the second phase of its chip manufacturing incentive policy to \$15 billion from the \$10 billion it had committed for the first phase.

Tata is building India's first commercial fabrication plant along with its Taiwanese partner Powerchip Semiconductor Manufacturing Corporation (PSMC) for a cost of more than Rs 91,000 crore. The government has also approved three assembly and testing plants, which are called ATMP and OSAT in chip parlance.



The assembly and testing plants are less complex than the semiconductor fabrication plant. The first of these three plants was approved in June 2023, and is being built by US-based Micron Technology. Tata is building an assembly plant in Assam to cater to specific clients. The third facility is being built by C G Power and Industrial Solutions of the Murugappa Group, in partnership with Renesas Electronics of Japan.

The govt's commitment of money

The four projects will together cost more than Rs 1.48 lakh crore, and the central government will spend almost Rs 59,000 crore in capex subsidies. Here is a breakdown of how much each plant will cost, and the subsidy commitments made by the central government. State governments have sought to sweeten the deal by offering land and electricity to the plants at cheaper rates.

| Scheme | Applicant | Total Project Cost (₹ cr) | Eligible Project Cost (₹ cr) | Incentive Approved (₹ cr) |
|--|---|---------------------------|------------------------------|---------------------------|
| Modified scheme for setting up of semicon fabs in India | TEPL (fab) | 91,526 | 67,956 | 33,978 |
| Modified scheme for setting up of compound semicon/silicon photonics/sensors fab and semicon/ATMP/OSAT facilities in India | Micron Technology Inc. (ATMP) | 22,516 | 22,516 | 11,258 |
| | TEPL (OSAT) | 27,120 | 20,449 | 10,225 |
| | CG Power & Industrial Solutions Ltd. (ATMP) | 7,584 | 7,002 | 3,501 |
| TOTAL | | 1,48,746 | 1,17,923 | 58,962 |
| (Source: Government's internal documents) | | | | |

Why chipmaking prowess matters

India currently has virtually no footprint in manufacturing semiconductor chips. The bulk of the global chip production happens in countries like Taiwan and the United States. The US has a chip incentive scheme with an outlay of around \$50 billion, several times that of India's. The European Union too is wooing chip manufacturers and has announced an incentive scheme of size similar to that of the US's.

Domestic fabrication plants will boost India's economic and strategic imperatives, given that chips are used in practically all downstream industries from rockets to power steering in cars to kitchen toasters.

In a global climate of geopolitical tensions, with the relationship between the US and China, two of the world's most influential countries in the technology value chain, at an all-time low, India hopes to seek out opportunities to boost the local industry with help from government-funded schemes.

It is important to take a realistic view

It is important to note that the Tata-PSMC fab will not produce cutting-edge nodes, which requires a level of technology that is not available with either of these companies.

The entry barriers to chip manufacturing are quite high, as China, which has poured a lot of money into its Semiconductor Manufacturing International Corporation (SMIC), has discovered. An enormous amount of technological innovation is needed to manufacture chips of smaller node sizes, which is an area in which companies such as the Taiwan Semiconductor Manufacturing Company Ltd (TSMC) have a massive advantage.

Relevance: GS Prelims; Economics

Source: Indian Express

2. Who is Indian-origin Kevan Parekh, the new CFO of Apple?

Introduction

Apple recently named Kevan Parekh as its chief financial officer (CFO), replacing company veteran Luca Maestri who will transition from the role on January 1, 2025.

In a statement, Tim Cook, the company's chief executive officer (CEO), said, "For more than a decade, Kevan has been an indispensable member of Apple's finance leadership team, and he understands the company inside and out. His sharp intellect, wise judgment, and financial brilliance make him the perfect choice to be Apple's next CFO."



Who is Kevan Parekh?

Born in 1972, Parekh is an electrical engineer with a Bachelor of Science from the University of Michigan and an MBA from the University of Chicago.

Before joining Apple, he held various senior leadership roles at Thomson Reuters and General Motors.

Role in Apple

Parekh has been with Apple for 11 years — he started as the head of financial support for some of the company's business divisions. Currently, he oversees financial planning, investor relations and market research functions. Parekh took on more responsibility late last year, when Maestri's other top deputy Saori Casey stepped down, according to a report by Bloomberg.

As the CFO of Apple, Parekh will be managing the company's finances and strategy by undertaking major investment and financing decisions, and coordinating with key stakeholders.

Indian origin Senior Executives

Parekh has joined the ever-expanding list of Indian-origin people becoming senior executives at global companies. The list includes Microsoft Chief Satya Nadella, Alphabet CEO Sundar Pichai, Adobe CEO Shantanu Narayen, and Tesla CFO Vaibhav Taneja, among others.

Relevance: GS Prelims; Science & Technology

Source: Indian Express

3. Vistara's Merger with Air India

End of an Era for Vistara

Vistara, India's leading full-service airline known for its high-quality product and service, will cease to operate under its own brand in November. The airline will be merged into Tata Group's flagship carrier, Air India.



Final Flight Date

Vistara will continue to operate flights until November 11, after which all its flights will be rebranded and operated as Air India flights.

Singapore Airlines' Role

Singapore Airlines, a joint venture partner in Vistara with a 49% stake, will hold a 25.1% share in the merged Air India. The Indian government's recent approval of Singapore Airlines' ₹2,059 crore investment into the merged entity was the last regulatory hurdle for the merger.

Merger Implementation

The merger process will culminate on November 12, with the transfer of Vistara's aircraft and crew to Air India's air operator certificate (AOC). This consolidation is a key element of Air India's transformation plan to elevate its status as a global airline.

Relevance: GS Prelims; Economics

Source: Indian Express