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Japanese Tech Major Sharp Looks for Indian Partners to Open Display Fab

THE BLUEPRINT Wants Indian player to take the lead with technology expertise from the Japanese company

Dia Rekhi

Chennai: Foxconn-backed Japanese company Sharp is actively scouting for an Indian partner to set up a display fab under the India Semiconductor Mission's (ISM) scheme for display fabrication facilities, people aware of the developments told **ET.**

Sharp is in talks with several Indian players and top executives from its display vertical have met with potential partners, one of the sources said. "They have received a positive response from some and are in advanced stages of discussion and should announce their partner by the end of the year," the person said.

"Sharp has engaged in setting up display fabs for partners in other countries like China, Korea and Taiwan. In India, too, they are looking at a similar strategy wherein they are looking to partner with a strong Indian player who will take the lead on the project and they will provide their technical expertise," the person said.

In India, Sharp's focus is expected to be on large displays.

News of Sharp investing $3-5 billion to set up a display fab in India emerged earlier this year.

The debt-ridden Japanese company is eyeing the Indian market possibly to reinvigorate its business, another person said.

Prabhu Ram, head of Industry Intelligence Group at market research firm CMR, said the proposed venture will benefit from Sharp's expertise while partnering with a strong Indian entity may help the Japanese firm bolster its "market position and business prospects in the expanding electronics sector."

"This initiative would enable Sharp to meet the increasing demand for larger screens while capitalising on the advantages of local manufacturing," he said.

In 2016, Foxconn completed its acquisition of Sharp with a focus on reviving the troubled company. However, last year, the Taiwanese contract iPhone maker reported a 56% drop in net profit to $416 million and said this was mainly because of a $541-million investment loss from Sharp's write-down.

As Foxconn expands its footprint in India with ambitious diversification plans that go well beyond smartphone manufacturing, having Sharp set up a display fab could bode well for the company.

During his visit to India, Foxconn chairman Young Liu had said the company will begin making products for sectors like information and communication technology (ICT), electric vehicles (EV), batteries, etc.

"Foxconn's involvement, with its stake in Sharp, is notably significant," CMR's Ram said. "For Foxconn, the display facility presents a strategic opportunity to leverage its capabilities and diversify its production across various electronic products."

Queries sent to Sharp remained unanswered as of press time Thursday.

"Sharp has given up on large-area liquid crystal display (LCD) production earlier this year and will focus on specialised small/medium LCD display for auto, XR displays," said Yoshio Tamura, president, Asia at DSCC, a Counterpoint company. "We estimate that Sharp's move in India would be as a technology partner or joint venture to drive India's display fab roadmap."

Sharp, which was an LCD display industry pioneer, lost out to Chinese companies that had come to dominate the market. Right now, Tamura said, most of the LCDs come from Chinese players like TCL CSOT and BOE, American company Tianma and the Taiwanese Innolux.

Joining the Dots

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A source says the debt-ridden firm is eyeing the Indian market to possibly reinvigorate the overall business

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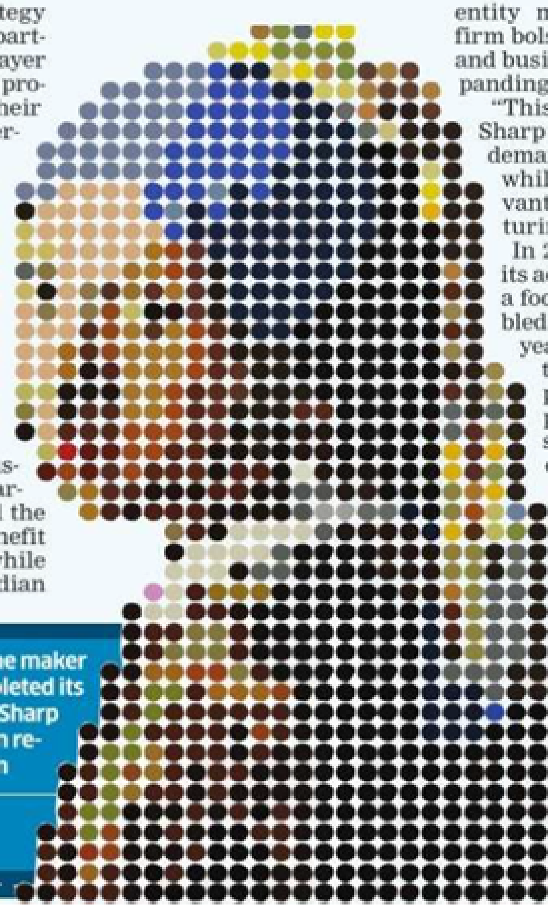

'Girl with a Pearl Earring by Johannes Vermeer