

Taiwan firm to outsource electronics repairs to India

Sequel Technology Inc, a Taiwan-based provider of after-market services (AMS) in consumer electronics and communication products, is setting up a joint venture here to outsource electronics repairs to its Indian partner.

With operations in China, [Europe](#) and the US, Sequel provides high-end repair services for LCD (liquid crystal display) panels and PC monitors, mobile phones, digital cameras, PDAs (personal digital assistant) and PCBs (printed circuit boards) manufactured by global electronics majors.

'We are forming a joint venture with Repair and amp; Return Technology Ltd (R and amp;R) in this silicon hub to outsource repair services of LCD panels and monitors that OEMs (original equipment manufacturers) send us,' Sequel managing director David Chao told IANS here Thursday.

The Sequel-R and amp;R joint venture (JV) is being set up with an upfront investment of Rs.79 million (\$2 million) at Whitefield on the city's outskirts for undertaking repairs of LCD panels, monitors and laptops in the first phase. The installed capacity will be 8,000 units per month.

'With technical resources and skills, India has the potential to emerge as a global hub for repairs and refurbishment services in electronics goods. The rapid growth of ICT (information and communications technologies) products, especially mobile handsets, in the sub-continent is creating huge opportunities for AMS providers,' he added.

'As part of the JV, we will provide technical know-how, tools and training to R and amp;R, which will bring in the initial investment to the tune of 90 percent. In exchange of technology transfer and shipping our tools, we will take 10 percent equity stake in the venture.

In the second phase, we will invest more to expand capacity for providing AMS in the electronics consumer and communication (C and amp;C) products such as mobiles, PDAs and PCBs,' David pointed out.

According to the Electronic Components Sales Inc, a leading electronics industry manufacturers' representative body, the worldwide market for repairs and refurbishment of ICT products is estimated to be about \$110 billion.

Repair services for LCD panels and monitors account for 15-20 percent of the total electronics repairs market. The present market size in India is projected to be about Rs.150 million (\$3.8 billion).

Currently, there are about 3.3 million LCD panels and desktop and display monitors in the Indian market. The numbers are projected to double by 2010. About 90 percent of these panels and monitors are shipped by global OEMs such as Sony, Toshiba, LG, Samsung and Canon.

'As we already providing AMS to these global OEMs from our facilities at Taipei in Taiwan and at Shanghai and Beijing in China, we will begin to outsource such services from the Indian JV, which will also cater to the OEMs selling their products in the sub-continent,' David said.

The \$30-million Sequel plans to offer its global customers integrated services spanning AMS, repair and return logistics from the JV and reduce cycles of repair and return by 50 percent to 10 days.

Its 30-odd customers are currently serviced through JVs in China with Putain, the largest Chinese mobile OEM, in France with Anoble, and Telamon in the US.

As a group company of the Chennai-based \$41-million Records and Data Warehousing Ltd, the six-year-old R and amp;R provides repair and logistics services to manufacturers.

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