

# Govt raises semiconductor demand forecast 50% to \$150 bn by 2030

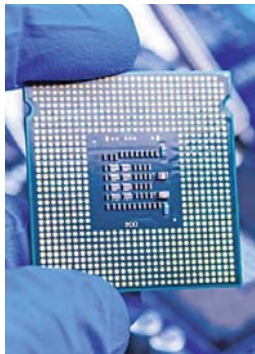
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India's semiconductor demand has been sharply revised, with projections now placing it at \$150 billion by 2030 — 50 per cent higher than the estimate made in January last year, according to the Ministry of Electronics and Information Technology (Meity).

It also expects 20-30 per cent of the country's semiconductor requirement to be met by India's lone fabrication (fab) plant and 12 Outsourced Semiconductor Assembly and Test (Osat)/ Assembly, Testing, Marking and Packaging (ATMP) players receiving incentives under the semiconductor scheme, all of which are expected to be fully operational by then. Already, three of them — Micron Technology, Kaynes Technology, and CG Power and Industrial Solutions — are up and running.

In January 2025, the India Electronics and Semiconductor Association, now integrated with Semiconductor Equipment and Materials International, a global association with



## The new wafer order

- India's semiconductor market already estimated at about \$64 billion in 2026
- Domestic fab and Osat/ATMP players expected to meet 20-30% of India's chip requirement by 2030
- AI and electronics manufacturing to power the next phase of semiconductor consumption

4,000 member companies worldwide, had pegged India's semiconductor demand for 2030 at \$103.4 billion. India's semiconductor demand for 2026 is estimated at around \$64 billion annually.

A senior Meity official, explaining the sharp upward revision, said, "We expect India's annual semiconductor demand to reach \$150 billion. This is because the big push in electronics and components through various incentive schemes, which is expected to create a \$500 billion ecosystem, will spur demand for more

chips across categories. There is also rising artificial intelligence (AI)-led demand, with large data centres coming up across the country, which will further increase semiconductor consumption. By then, we expect to have enough capacity to cater to 20-30 per cent of domestic demand."

The official pointed out that global semiconductor companies are increasingly looking at India as a second base for chip assembly alongside Malaysia, one of the world's leading semiconductor assembly hubs. "We have also held

discussions with companies that are looking to assemble chips in India's Osat/ATMP plants for the global market, while using China to serve their domestic market. It is an evolving scenario."

The global AI boom, which has encouraged demand for greater processing power and high-end graphics processing units, has also altered earlier projections for the semiconductor industry. Earlier estimates had projected global semiconductor demand to touch \$1 trillion by 2030.

However, the latest AI-driven demand trends and capacity additions to address the global memory chip shortage have prompted the Semiconductor Industry Association, which represents more than 100 US-based member companies, to say that the \$1 trillion milestone will now be achieved by the end of this year. India is already seeing a sharp rise in semiconductor imports. During April-May 2026, imports of semiconductor products rose 44 per cent, from \$5.91 billion in the same period last year to \$8.5 billion.