'We had 2 options: Complex law or start with clean slate'

The day after the government withdrew the Personal Data Protection Bill, 2019, **RAJEEV CHANDRASEKHAR**, Minister of State for Electronics and Information Technology, spoke to **Surajeet Das Gupta** and **Sourabh Lele** on the reasons behind the decision, and more. Edited excerpts from the interview:

Why was the Personal Data Protection Bill withdrawn and what does replacing it with a comprehensive framework actually mean?

The Bill, modified by the Joint Committee of Parliament (JCP),

Q&A

RAJEEV CHANDRASEKHAR
MoS, Electronics & IT

became very complex because of the large number of recommendations made by the panel. It veered away from the core issues of data protection and information privacy, like trusted hardware, certification, non personal data and data localisation. All of these issues are basically creeping into the legislation because of gaps in the existing IT Act. So there were two options before the government--create a complex, cumbersome law, which will cause a tremendous amount of compliance challenges for startups or say let's go back and do a clean slate, where we do a framework of laws and policies.

The framework will include the new digital privacy bill, a new bill which will update the IT Act, the national data governance framework policy, and policies and rules and regulations for cybersecurity. This gives us an opportunity to ensure that they are joined by a common thread; they are evolutionary, contemporary, and also able to deal with anticipated challenges in the tech space.

Will the government continue the consultations with stakeholders?

Consultation is something that the Prime Minister encourages, not just because it is about disclosure, but it is also about making sure that the stakeholders are all aligned in terms of the objectives of a particular piece of legislation or rule. There will be a consultative process both for the new privacy protection law and the legislation that will be an amendment of the IT Act.

Our objective is to create a contemporary framework, a modern framework that creates ease of business, clarity for our startups, as well as protect the fundamental rights of our citizens.

We have never believed it's a binary thing, we can do both.

> NON-PERSONAL DATA IS THE RAW MATERIAL FOR AI. IF YOU START HAVING A REGULATOR SIT ON TOP OF IT, IT WILL IMPACT THE GROWTH OF THE SECTOR

ILLUSTRATION: BINAY SINHA

EDIT: **PROTECTING PRIVACY** **P11**

'We're on everybody's radar... in areas like semiconductors'

Will the new data protection policy also govern non-personal data?

The moment I say personal data privacy, it obviously does not cover non-personal data. The data governance framework policy is the one that deals with non-personal data. Non-personal data is the raw material for AI. If you start having a regulator sit on top of, it will impact the growth of this sector.

Every country is creating its own laws on the internet? Is there possibility of cooperation?

Countries all around the world, including India, are basically upping the framework to deal with challenges as well as opportunities in the internet. But they are being done in silos even though we all realise that internet does not recognise any boundaries. I believe the government is going through the first phase of an inflexion point where cyber space was a lawless space... That is being corrected by countries across the world, including India. In the second phase, I believe there will be an attempt for harmonisation of laws of all these countries and have some kind of a global protocol and a set of principles which all open societies agree to. My conversations with ministers in the UK and senior government officials in the US, Japan, Singapore suggest there is a broad agreement that there is a need for a global harmonization of laws and standards. But it will take a few years.

Moving to another subject, in production-linked incentives (PLI) for IT products and mobile devices, there is a sort of a consensus that the problem is the absence of supply chain in India because we are not allowing Chinese manufacturers. Also Indian companies who were supposed to become global champions have not taken off. How do we resolve this issue?

Q&A

RAJEEV CHANDRASEKHAR
Minister of State for Electronics and Information Technology

We are already the second largest assembler of mobile phones in the world. And you're absolutely right that a few Chinese companies, primarily with rather hazy economic and business models have disrupted a large number of the Indian brands and really grabbed market share from them in a manner that we do not consider as being purely on the basis of free and fair competition. So we are seeing how to solve this. In the Prime Minister's vision for manufacturing, there is a place for multinational brands, and there is also a place for Indian champions.

We want to do grow manufacturing across the board, and go as deep as possible, starting from design, to components, to the final product....We are relentless in our objective of creating an ecosystem of suppliers and components in India and we have the policy levers to catalyse that. But unlike the end product, or the OEMs, supply chain investments are a lot more difficult to bring into the country, especially compounded by the fact that a lot of them are of Chinese origin.

We know what the challenges are to move supply chains to India, have supply chain growth in India, and the kind of incentives and support that the government needs to give and the kind of market development dynamics that supply chain companies need to see.

We have the US, Korea and European countries giving huge subsidies for the semiconductor industry to enable global companies to up their plants. So how big is the challenges where incentives are far less?

We are not competing with the US on how much subsidies we will give to our fab companies. Nor are we going to go head to head and say, if that geography has given $20 billion, we will do the same because the attractiveness of India is multi-dimensional for the semiconductor manufacturers. Our narrative is India is a multi-dimensional fastest growing market for semi conductors. We are the fastest growing digital market in the world. We will see digital consumption go up massively as 1.2 billion Indians get connected online and vast parts of our social sector like healltcare will be digitised.

So our story is very different from say Germany or Japan. Ours is about a huge market, a huge semi conductor ecosystem. Also we are a trusted place to manufacture these strategic products. While China will remain a dominant player, the world's consuming nations want a much more trusted player in the overall value chain and we can be the destination. .

So are you getting a lot of positive response from the big semiconductor manufacturers?

Well, I'll tell you what the CEO of Intel said to me in a meeting after he met the PM. He said two years ago, if you had asked me about a fab in India, I would have said no way. But today I'm not saying yes or no. But I'm certainly very interested because of the whole India story, the Indian tech story, and how India's growing in startups. So we are clearly in everybody's radar today, where we were not four to five years ago, especially in areas like semiconductors.