

India, Singapore ink chip deal as Modi pushes tech ambition

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INDIA AND SINGAPORE agreed to ramp up collaboration in semiconductors and digital technologies, seeking a bigger role in a global chip supply chain being reshaped by tensions between the US and China.

During a two-day visit by Indian Prime Minister Narendra Modi to the city-state, the countries signed agreements to cultivate talent in chip design and manufacturing and facilitate Singaporean tech investment in India, according to a statement from the Indian government on Thursday. The nations will also work more closely together in cybersecurity, fifth-generation mobile networks, supercomputing and artificial intelligence.

Singapore, India and Malaysia are among Asian economies that have emerged as beneficiaries of the pro-

longed US-China trade war that has rattled the global chip market, which is on track to hit \$588 billion in sales this year. Both China and western countries are racing to establish stand-alone supply chains to avoid geopolitical risks, creating business opportunities for the industry.

While India's semiconductor industry is in its infancy, Singapore has played a significant role in the sector for decades. The city-state is home to some of the largest chip manufacturing plants in Southeast Asia, hosting international names from NXP Semiconductors NV to Micron Technology. The island nation boasts a legion of chip research and engineering talent as well as abundant venture capital for chip startups.

The tie-up also showcases Modi's ambition to turn the world's most populated country into a technology superpower, in which a strong semi-

conductor ecosystem is crucial. During his trip to Singapore he met with Prime Minister Lawrence Wong and is expected to meet with 15 chief executive officers, including those of Temasek Holdings, wealth fund GIC and DBS Group Holdings, an Indian official told reporters on Thursday. The two nations also signed deals in the areas of health, medicine and skills development.

Closer ties with India in semiconductors would help Singaporean companies to tap into the rapidly growing market in South Asia, Singapore's minister for foreign affairs Vivian Balakrishnan told reporters last month. "They know that although Singapore is very small, we have a disproportionate share of global semiconductor manufacturing capability, and they are carefully studying our system in terms of its ecosystem," he said. **-BLOOMBERG**