

India, US sign agreement on semiconductor supply chain

Ministries of both sides to be part of sub-committee, which will meet this year

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India and the US on Friday signed a pact on setting up a semiconductor supply chain and innovation partnership, and established a semiconductor sub-committee under the framework of the India-US Commercial Dialogue, revived after three years.

The sub-committee will be led by the US's Department of Commerce and, on the Indian side, the Ministry of Electronics and Information Technology (MeitY) and the Ministry of Commerce and Industry. The first engagement of the sub-committee is expected to take place before the end of 2023.

"Recognising the importance of US and Indian markets to the global electronics industry, Secretary (Gina) Raimondo and Minister (Piyush) Goyal intend to utilise the Commercial Dialogue to enhance public and private efforts to promote industry cooperation in the semiconductor sector.



Commerce and Industry Minister Piyush Goyal with US counterpart Gina Raimondo after the India-US Commercial Dialogue on Friday. The agreement comes against the backdrop of chip shortages after Covid

PHOTO: PTI

These efforts will identify opportunities for growth and challenges to address in order to ensure that US and Indian semiconductor industries develop stronger con-

nections, complementary ecosystems, and a more diverse supply chain for semiconductors," according to a joint statement.

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tasking both the Indian and American semiconductor industries to prepare an assessment of where they have gaps and lack of resilience in the supply chain and that will guide our work," US Commerce Secretary Gina Raimondo told reporters in a joint briefing.

Co-chaired by Commerce and Industry Minister Piyush Goyal and Raimondo, the Commercial Dialogue is part of ongoing efforts to strengthen the US-India Comprehensive Global Strategic Partnership.

Goyal and Raimondo confirmed their intention to convene before the end of 2023 a mid-year review of the Commercial Dialogue, which will be led by senior government officials from both sides.

The key theme of the dialogue focused on resilient and secure supply chains; facilitating climate and clean technology cooperation; inclusive digital growth; talent development, including skilling; post-pandemic economic recovery, especially for micro, small, and medium enterprises and start-ups; and focus on cooperation on quality standards.

Raimondo led a high-level business delegation of American chief executive officers (CEOs) for the India-US CEO Forum, aiming to focus on shared strategic priorities on both sides. Goyal said both countries launched the Standards and Conformance Cooperation Program, which would be carried out by the US's American National Standard Institute and India's Bureau of Indian Standards.

"India has recognised that we have to be quality suppliers and consumers in goods and services. We offer a large marketplace, and can capitalise on economies of scale to meet India's and the world's needs. We need to align in terms of international standards," Goyal said.

The joint statement further said that both sides intended to continue engaging on cross-border data flows and other relevant issues, including in appropriate multilateral forums.

"Both ministers also expressed interest in working together in developing next-generation standards in telecommunications, including 6G.

They anticipate efforts to include cooperation between relevant government agencies, standards organisations, and industry bodies. Both sides intend to further work together in validation and deployment of trusted and secure next-generation telecom network equipment, including Open RAN, as well as in subsequent generations of telecommunications infrastructure," it said.

The US is India's largest exporter and trading partner while India is the ninth-largest trading partner for the US. Bilateral merchandise trade during April-January stood at \$108.43 billion. Both nations aim to achieve bilateral trade of \$500 billion by 2025.

The US is also the third-biggest source of foreign direct investment for India, and is one of the top five investment destinations for India.

Semiconductor...

Cooperation on semiconductors comes against the backdrop of the shortage of such chips, which had serious consequences such as supply disruption in automobile and electronics in both countries, particularly after the outbreak of Covid-19.

"The US would like to see India achieve its aspirations to play a larger role in the electronic supply chain. And the MoU (memorandum of understanding) we signed is designed to help achieve that goal. We've already begun action on the MoU,