India targets 5% slice of global chip pie by '30

Five cleared projects to push daily chip output to 91 million

SURAJEET DAS GUPTA
New Delhi, 18 May

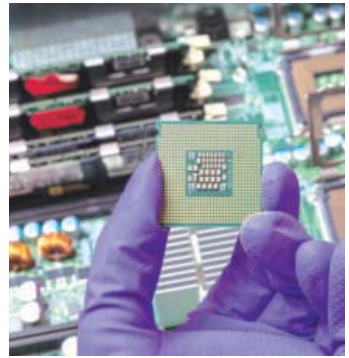
The central government is aiming for a 5 per cent share of global semiconductor chip production by the end of 2030 as it readies for the next phase of the India Semiconductor Mission — Semicon 2.0. It has already committed disbursements from the $10 billion it earlier announced as incentives for prospective semiconductor fabrication (fab) players, as well as Outsourced Semiconductor Assembly and Test (OSAT) and Assembly, Testing, Marking, and Packaging (ATMP) companies. As many as five projects are already eligible under the scheme.

A senior official in the Ministry of Electronics and Information Technology (Meity) said: "We have just begun and have a long road ahead. We are aiming to achieve a 5 per cent share of global chip production capacity. A lot has to be done."

To achieve this target, Meity has already — according to the India Electronics & Semiconductor Association (IESA), the apex industry body — cleared projects with an aggregate capacity of over 75 million chips per day. If state-cleared projects are included, the number rises to 91 million chips per day.

Ashok Chandak, president of IESA and Semiconductor Equipment and Materials International (SEMI) India, said: "The projects cleared have a capacity of close to 75 million chips per day, from the five approved by Meity. There are others approved by states, which will add another 16 million chips a day. With this capacity, India will be able to meet a portion of its domestic demand and tap into the export market."

This is, of course, only the first stage.



Chip ambitions

Initial per day capacity of chip (in mn)

Tatas	48
HCL-Foxconn	1.2*
CG Power	15
Kaynes	6.3
Micron	4.8
Polymatech	6
Suchi Semicon	10
RRP Electronics & RIR	

*36 million capacity per month
Sources: Company, IESA, industry estimates

The state projects include Suchi Semicon in Gujarat, RRP Electronics in Maharashtra, and RIR Power Electronics in Odisha, which will collectively produce 10 million chips per day once operational. Polymatech Electronics, based in Chennai, is already operational and currently has a capacity of 6 million chips per day, with another plant being set up in Chhattisgarh.

Then there is Micron, which is expected to roll out its first Make in India chips by the end of this year. While it has not officially announced its capacity, industry sources say it will be around 4.8 million chips per day.

According to SEMI's World Fab Forecast (the global semiconductor association body), global fab capacity reached 31 million wafers per month in 2024. "This capacity, measured in terms of 200 millimetre-equivalent wafers, translates into roughly 1 million wafers per day," said Ajit Manocha, president of SEMI Global.

Under Semicon 2.0, the focus will also be on expanding the ecosystem — which includes the global supply chain of specialised chemicals, gases, and other inputs required for fab manufacturing. Building this ecosystem is key to expanding chip-making capacity.

India, of course, faces competition. Malaysia currently holds about 14 per cent of the global OSAT market, while Taiwan controls more than 40 per cent. In an interview last year, Meity Minister Ashwini Vaishnaw said the ambition is to capture 25 per cent of the ATMP/OSAT global market over the next 10 years.

The total investment across the six upcoming plants is over ₹1.55 trillion, with the bulk — ₹91,000 crore — going to the Tata fab plant. The remaining five projects are in the OSAT and ATMP space, where the final Make in India chips will be rolled out.