

Japan to invest ₹2.95 trn in India; signs semicon pact

SOURABH LELE & PTI
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Japan is keen to invest ¥5 trillion, or about ₹2.95 trillion, in India across various sectors, including steel, Union Minister Jyotiraditya Scindia said on Thursday. The two countries also signed a memorandum of cooperation (MoC) in semiconductors focused on key areas like research & development (R&D), manufacturing, design, and talent development. The pact was signed during a meeting of top Indian government officials with a Japanese delegation led by Nishimura Yasutoshi, minister of economy, trade and industry of Japan.

Ashwini Vaishnaw, Union minister of communications and information technology, said both countries would soon create an implementation organisation under the new pact for industry- and government-level collaboration. He added that Rapidus, the Japanese government-backed chipmaker, would be a major element of this partnership.

"Everybody wants a resilient semiconductor supply chain and in this, India and Japan are very important partners. The focus of this partnership is on finding complementary strengths of both the countries," Vaishnaw said.

The announcement comes days after India and the US signed a Memorandum of Understanding (MoU) on semiconductor supply chain and innovation. Both Indian and



Union Minister for Steel and Civil Aviation Jyotiraditya Scindia (right) with Nishimura Yasutoshi, Minister of Economy, Trade and Industry of Japan, on Thursday PHOTO: PTI

Japanese governments have launched schemes to incentivise local manufacturing of semiconductors.

"The semiconductor industry will require a huge amount of talent and significant growth in multiple locations in the world. Japan sees India as a partner where complementary strengths can be used," Vaishnaw added.

India's \$10 billion semiconductor production-linked incentive (PLI) programme offers 50 per cent incentive of the project costs for setting up a chip plant. On the other hand, the Japanese government had in 2021 announced a \$6.8 billion scheme to boost its domestic chip industry.

Meanwhile, Scindia said India and Japan will work closely with regards to the steel sector and said the delegation

discussed tremendous growth prospects in India's steel sector, which is to grow to 300 million tonne (mt) capacity by 2030 from 160 mt, at present.

Scindia also said that a very detailed discussion was held "about the common strategies that we can develop in terms of the path forward, exchange of best practices, exchange of new technologies, Japanese investment in India, which would be close to 5 trillion yen...over the next few years, not only in the steel sector but other sectors as well".

Discussions were also held on the recent developments in the steel industry, the current global situation and its challenges, the minister added.

The steel ministry said cooperation in the steel sector and decarbonisation issues were discussed in the meeting.