

# India to be a semiconductor manufacturing hub: MoS IT

Well positioned, given the efforts in last 5-6 years, says Chandrasekhar

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India is well positioned to emerge as a major player in electronics and semiconductor products manufacturing as part of the China-Plus-One diversification strategy, said Minister of State for Electronics and IT Rajeev Chandrasekhar.

China-Plus-One, also known as Plus One, is a business strategy to avoid investing only in China and diversifying business into other countries. It started becoming popular in 2018 and gained prominence after the Covid outbreak.

“People around the world do not want to depend on China as the only source,” said Chandrasekhar on Thursday evening at the Bengaluru Tech Summit.

He added, “China-Plus-One diversification is underway. India is well positioned, given the last 5-6 years of efforts made by the country in positioning itself as a significant player in these global value chains (GVCs).”

The opportunity is huge for India as electronics and semiconductor is a \$1.5 trillion industry. However, China



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accounts for almost 75 per cent of it and has dominated the space for two decades.

The world is looking to reduce their dependence. Chandrasekhar said India is positioned to play a strong role here.

He said India's strategy as a semiconductor nation is closely tied to its ambitions of being a major player in the electronics value chain.

For instance, 66 per cent of foreign direct investment (FDI) in electronics manufacturing has come to India in the last three years. Chandrasekhar added that a growing number of countries and companies are looking at India as a trusted partner in manufacturing and design of

electronics products.

Chandrasekhar said that in 2014, over 92 per cent of all mobile phones used in the country were imported, but today over 97 per cent are made in India. He said the country had zero exports in the electronics manufacturing space in 2014. At present, the country exports equipment worth ₹70,000 crore.

The current electronics industry in India is valued at \$75 billion compared to \$10 billion in 2014. The target is to make it worth \$300 billion by 2025-26, a nearly 26 times increase in electronics production in a decade.

The digitisation of automotive, mobility and computing — which has accelerated

post-Covid — is also creating additional demand for semiconductors.

Chandrasekhar said the Centre will invest \$30 billion in electronics and semiconductors. Of this, \$20 billion would be invested in electronics manufacturing and design and \$10 billion in semiconductor manufacturing, research and design. The investment will help in creating manufacturing, packaging, verification, design, research and skill capacities in the country.

“We do not intend to be like Taiwan focused (only) on manufacturing,” said Chandrasekhar.

He added, “We believe that India's opportunity spans manufacturing, packaging and design and innovation.”

He said a new fab proposal supported by the central and state governments would be placed soon before the country. It would include packaging. This would cover logic semiconductors, NAND and memory.

A semiconductor fab is a manufacturing plant in which raw silicon wafers are turned into integrated circuits.