

Policy certainty will help the chip industry flourish: Micron

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US chip giant Micron, which is investing up to \$825 million in setting up a semiconductor chip assembly and testing plant in India, said that certainty of policy is crucial for this industry to flourish.

Manish Bhatia, executive vice-president (EVP), global operations, Micron, said policy stability is a huge driving factor for attracting companies to India and in creating an export market ecosystem.

“Certainty of policy is one of the advantages that India has over many other developing countries that are vying for some of these big manufacturing investments. This helps in creating an export-capable market not just for manufacturers, but others in the value chain also.

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Global Operations, Micron

These include suppliers, customers, suppliers of specialty materials, specialty chemical services, engineering, support, and design services, among others,” said Bhatia. He was speaking at the Nasscom Technology Leadership Forum.

He added this predictability of policy is necessary for not just the



next five years but over 25 years. This is because semiconductor is a capital-intensive industry that only shows returns over 15-20 years.

“Our suppliers are also very similar and capital intensive. And, returns on these investments are visible only after 15-20 years. Hence,

certainty of policy is important. That is what has happened in countries like Taiwan, South Korea and Japan,” he added.

He added that the semiconductor industry touched \$500 billion in the last 60 years and the next \$500 billion can be achieved in the next five years.

“India has a tremendous opportunity ahead of it to be able to create all the factors that can make the semiconductor industry successful over the next five to 20 years,” added Bhatia.

He also said that other than certainty of policy, it’s going to take alignment between all the stakeholders like government and educational institutions to come together in a focused manner.

When it comes to challenges of setting up such a large semiconductor ecosystem, Bhatia said that infrastructure has to be developed as well.