

India-Japan MoC on semicon supply chain gets nod

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The Union Cabinet on Wednesday approved a memorandum of cooperation (MoC) between India and Japan on developing a semiconductor supply chain partnership. This pact would focus on research and development (R&D), manufacturing, design, and talent development for the industry.

Signed in July this year, the MoC intends to strengthen cooperation between the two countries both on inter-governmental as well as business-to-business partnerships to advance resilient semiconductor supply chains and leverage complementary strengths.

The MoC has come into effect from the date of signature of the parties and will remain in force for five years.

According to the new pact, India and Japan will soon create an implementation organisation for the advancement of industries and digital technologies. The develop-

ment comes amid the Centre's increasing focus on making new ties with "trusted" sources for critical technologies such as semiconductors.

Japanese government-backed semiconductor venture Rapidus is likely to be a major element of the new partnership. The organisation was founded in 2022 with

the support of eight major Japanese corporations, including Toyota Motor Corp and Sony Group Corp.

Rapidus plans to develop leading-edge 2-nanometer technologies with International Business Machines (IBM). The Tokyo-based venture also aims to begin mass production of the chips in 2027 at a plant it plans to build in Japan. The MoC may help India in creating new employment opportunities in the field of IT, the government said.

Both the Indian and Japanese governments have launched schemes to incentivise local manufacturing of semiconductors.

