

India missed semiconductor bus, now it's a rising force: Minister

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The government's semiconductor push in the last 18 months has turned India into a rising force in the critical sector, despite missing opportunities to develop a local ecosystem for decades due to the lack of a political vision, said Rajeev Chandrasekhar, minister of state for electronics and information technology, on Thursday.

The minister said that several proposals for building manufacturing and semiconductor assembly, testing, marking and packaging (ATMP) were under consideration.

He also said that India is on track for the next 10 years in the semiconductor space with \$10 billion (about ₹81,993 crore), compared to China's three decades of progress. "Today, we can achieve in the coming techade what some neighbouring nations took 30 years and



\$200 billion to achieve and still failed," Chandrasekhar told reporters in New Delhi on the eve of the second Semiconductor India global summit.

Prime Minister Narendra Modi will inaugurate the conference in Gandhinagar on Friday to showcase India as a vibrant, sustainable manufacturing destination for global corporations. Top executives of global semiconductor and electronics companies including Micron Technology, AMD, NXP Semiconductors and Applied Mat-

erials will take part in the event.

The programme holds significance as the government-backed India Semiconductor Mission has gained traction in the past few months. US-based companies Micron Technology, Applied Materials and Lam Research have recently committed to investing in India's emerging semiconductor industry.

Micron, the global major memory chips producer, has announced a \$2.75-billion ATMP project in Gujarat, while equipment and software maker

for chip plants Applied Materials plans to invest \$400 million over the next four years to establish a new centre in India. These were seen as breakthroughs for the government's \$10-billion semiconductor production-linked incentive (PLI) programme since its launch in 2021. On the other hand, India has also entered into agreements with the US and Japan for cooperation in the semiconductor supply chain.

"India has missed the bus repeatedly on electronics and semiconductors. There was a lack of strategic and political vision and a big dose of incompetence. In 1987, India was just two years behind the latest chip manufacturing technology. Today, we are 12 generations behind — this is how far behind as a nation on semiconductors," Chandrasekhar said.

Pointing to missed opportunities, he said: "Fairchild Semiconductor, which is the precursor to Intel, came to

India in 1957 for a packaging unit and we chased them away. That packaging unit went on to become Asia's largest packaging hub in Malaysia. We set up a fab for silicon and germanium transistors, but couldn't compete and shut it down. India's major VLSI (very large-scale integration) facility, Semiconductor Laboratory, perished as a mysterious fire in 1989 halted production until 1997."

"International semiconductor majors wanted to start operations in South India. Despite hiring experts and setting up a cleanroom, one project faced numerous roadblocks. It eventually moved to China, resulting in the loss of a semiconductor facility and 4,000 jobs for India," he added.

Besides its strategic importance, the government's semiconductor programme aims to generate employment. Micron's upcoming plant is expected to create at least 5,000 direct and 15,000 indirect jobs.