

‘Taiwan keen to help India become leader in chip space’

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Taiwan is keen to collaborate with India and help it become a leader in the semiconductor space, Jason Ho, chairman of the Taiwan Chamber of Commerce in India, said, asserting that the Taiwanese companies have the supply chain for things that the Indian market needs.

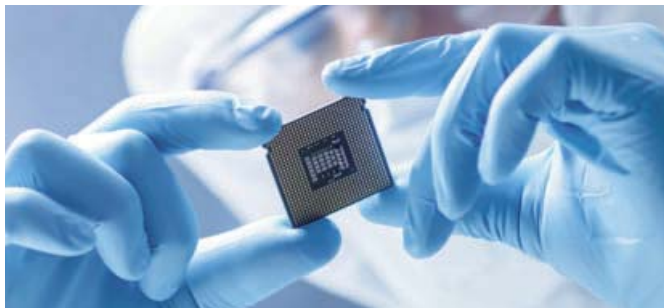
Manufacturing semiconductors — used in electric and hybrid cars, drones, and communication devices — is fairly complicated, entails huge investment, and can be a cumbersome process. Since Taiwan has already established itself as one of the key global chip-makers, collaboration with India in this space can be a win-win for both sides.

“India has strengths such as designing capability and market demand. We have sufficient capacity that can be allocated to India since Taiwanese companies have the supply chain for things that the Indian market needs,” Ho told *Business Standard*.

Taiwan already has enough capacity for 28 nanometer (nm) chips, which is also India’s focus area to cater to the needs of the telecom and automobile sectors. “In the future, India need not invest money in this space. While I agree with the Modi government’s ‘Make in India’ programme, in a high-tech industry like semiconductor, it may not work, and the focus should be on collaboration,” he said.

Some Taiwanese companies are relocating their manufacturing base to India in a bid to diversify supply chains, amid growing tensions with China.

In the last year, foreign direct investment inflow from Taiwan has increased and the number of companies investing has grown to 290 from 150. They have made



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investments, primarily in the electronics, information and communication technology, petrochemicals, steel, shipping, footwear manufacturing, automotive and motorcycle components, finance, and construction industries.

Collaboration of small and medium enterprises is another focal area. Both sides have strengthened cooperation in important areas of policy sharing, technological assistance, innovation, entrepreneurship and business incubation, market development, as well as capacity and capability building.

Trade

The bilateral trade in 2023 amounted to approximately \$8.224 billion, down 2.78 per cent during the same

period a year ago.

No free trade agreement (FTA) currently exists between the two countries, although some discussions were held a few years ago but without much progress. “We need more investment between countries and a free trade agreement can also push that,” Ho said.

India is the 16th largest trading partner of Taiwan. Taiwan’s exports to India reached \$6.013 billion in 2023, marking a 13 per cent growth, and positioning India as the 12th largest export market for Taiwan.

On the import side, Taiwan imported goods worth \$2.211 billion from India, a decrease of 29.62 per cent from 2022. India stands as the 25th largest import source for Taiwan.