

**Remarks by Ambassador H.E. Mr Sibi George
at 'India Semiconductor Mission :
Developing Ecosystem and Supply Chains' Seminar
at Embassy of India, Tokyo, 13 December 2023**

Mr. Kazuya Nakajo, Executive Vice President, JETRO

Mr. Hidemichi Shimizu, Director, Semiconductor Division, Ministry of Economy, Trade and Industry (METI), Government of Japan

Mr. Sagar Sharma, Chief of Staff, Indian Semiconductor Mission, Ministry of Electronics & Information Technology, Government of India

Distinguished participants,

A very Good evening to you all !!

I am delighted to be part of this India Semiconductor Mission : Developing Ecosystem and Supply Chains' Seminar being held today.

Friends,

India and Japan have a Special Strategic and Global Partnership, rooted in shared values, mutual respect, and a common vision for a peaceful and prosperous future. Over the years, this partnership has grown exponentially. Today, our relationship covers a wide range of areas, trade and investment, industrial development, infrastructure, rail, metros, digital, energy, human resources, critical and emerging technology, climate change, health security, space, defence, and semiconductors.

A key aspect of our bilateral relations is economic cooperation. Japan, being the 5th largest investor in India, has been a reliable partner in India's economic growth. The Prime Ministers of our countries have set a target of 5 trillion yen in private investment and public financing from Japan to India over the next 5 years, and we are making remarkable progress towards achieving this.

Though economic & commercial relations between the two countries are on the rise, there is still untapped potential in our business relationship. India, with a population of 1.4 billion people, representing one-sixth of the

world's population, having the largest and youngest working population across top economies globally, is one of the world's fastest-growing economies. From 10th position in 2014, India is now the 5th largest economy in the world, and is going to be the 3rd largest by 2027-28. India has continually improved its business environment through progressive policy reforms, streamlined regulations, and enhanced infrastructure. The Indian government is committed to further streamlining policies, reducing regulatory barriers, and fostering a business-friendly environment that encourages innovation, entrepreneurship, and investment.

Friends,

India's semiconductor industry is a pivotal component of its electronics landscape, with demand surging to US\$ 34 billion in FY23. Projections indicate a rise to US\$ 110 billion by 2030, constituting 10% of the global semiconductor demand.

In recent years, India has emerged as a burgeoning hub for semiconductor manufacturing, design, and research. Remarkable strides are being made in the development of the semiconductor ecosystem in India.

India Semiconductor Mission has been nurturing India's strategies for developing a robust & resilient semiconductor & display ecosystem in India. The Government of India's Semicon India Program aims to provide attractive incentive support to companies investing in setting up semiconductor & display manufacturing facilities in India.

The 'Make in India' initiative of Government of India aims to boost manufacturing in India and establish the country as a global manufacturing hub. The government has introduced the Design Linked Incentive and other schemes such as Chips to Startup and Scheme for Promotion of Electronic Components and Semiconductors to support the industry.

India hosts 20% of the world's semiconductor design engineers and plans to train 85,000 engineers by 2027. All India Council for Technical Education (AICTE) has launched curriculum for semiconductor manufacturing

specific courses to develop and nurture talent in the semiconductor industry which is being adopted by leading engineering institutions of the country.

The global semiconductor industry is currently heavily concentrated in a few countries, making supply chains vulnerable to disruptions. Collaborating on semiconductor production can diversify the supply chain, reducing the risk of widespread disruptions. With strategic partnerships with global leaders in semiconductor technology, India is fostering an ecosystem that fuels innovation and progress for all.

Micron Technology has already started the construction of its \$2.75 billion semiconductor plant in Gujarat. Applied Materials has also announced its intention to build a collaborative engineering centre in Bengaluru with an investment of \$400 million spanning over four years.

In July this year, India and Japan concluded a Memorandum of Cooperation on Semiconductor Supply Chain Partnership, to promote semiconductor design, manufacturing, equipment research, talent development and industrial resilience. Under the MoU, the first India-Japan Semiconductor Policy Dialogue held between the two countries last month to explore the bilateral collaboration on opportunities to advance resilient semiconductor supply chain, where more than 130 companies participated from both sides.

Japan and India both possess strong technological capabilities. Japan has a history of excellence in electronics and semiconductor manufacturing, while India has a growing pool of skilled engineers and a thriving IT industry. The collaboration between India and Japan in semiconductor sector holds immense potential, and the two countries can play an important role to make the semiconductor supply chain more resilient and diversified for the world.

I am confident that this Seminar today would create a platform for an increased collaboration between Indian and Japanese companies for mutually beneficial semiconductor related business partnerships and to develop a resilient semiconductor supply chain.

I would like to convey my sincere thanks to Shri S. Krishnan, Secretary, Ministry of Electronics & Information Technology, Government of India for his recorded message for this event, and to all the participants for joining us today.

Thank you
