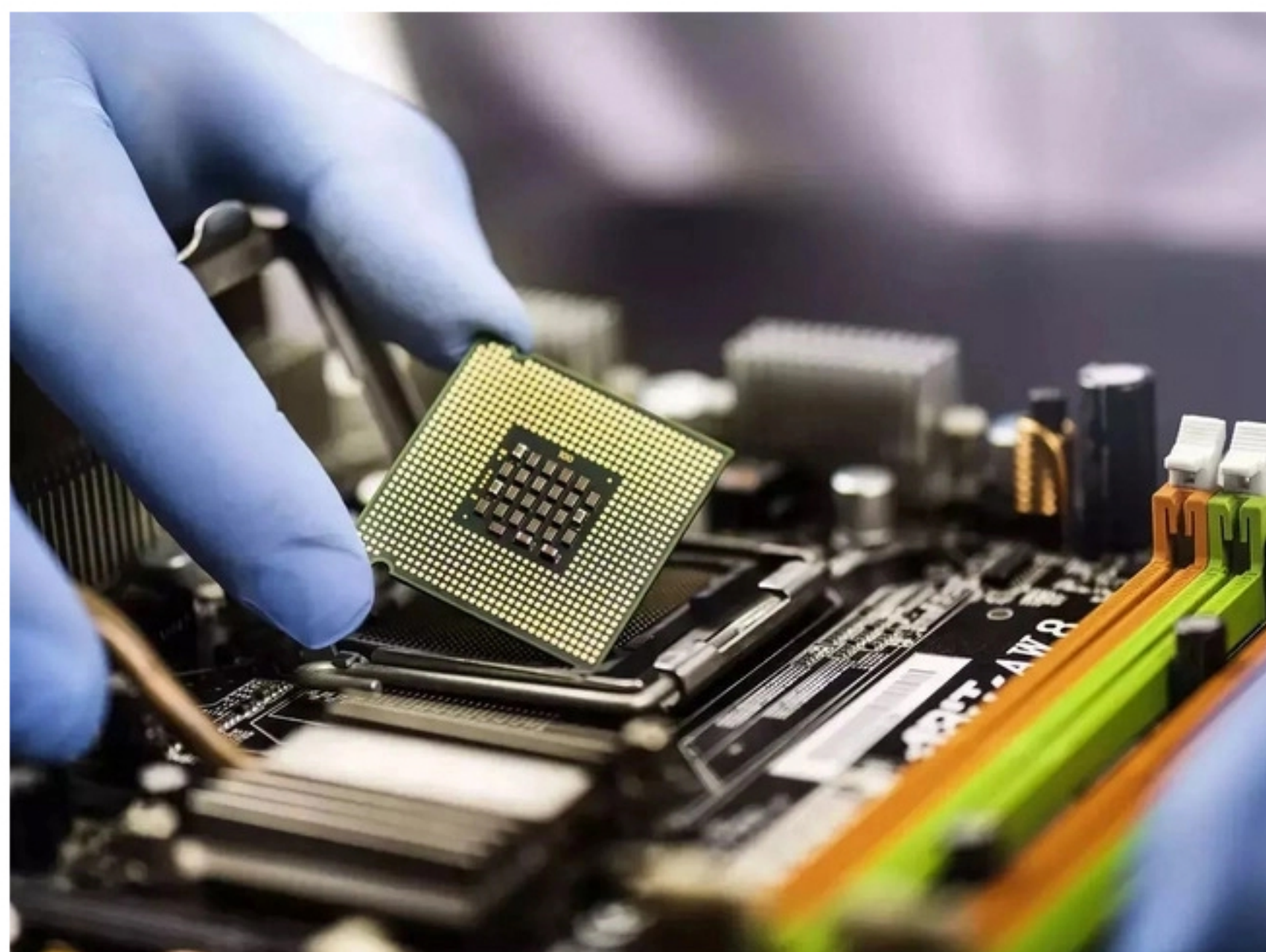


Semiconductors: Global majors bet on India becoming a chip manufacturing hub

Synopsis

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Israel's ISMC Analog Fab recently announced that it will invest \$3 billion in Karnataka to set up a semiconductor chip-making plant.

India's plan to become a [semiconductor hub](#) is one of the most ambitious and challenging tasks the government has ever undertaken, said the Director of Institute of South Asian Studies, [National University of Singapore](#), C Raja Mohan.

"It involves far greater energies as it needs to bring together various technologies, industrial capabilities and global partnerships," said the foreign policy analyst, adding that some global shifts could prove to be advantageous. "Earlier, world politics and borders did not matter. But now there are conflicts between the US and China, India and China and Russia with the western world. These have created a situation where we have seen the dangers of relying on just one source for production of anything."

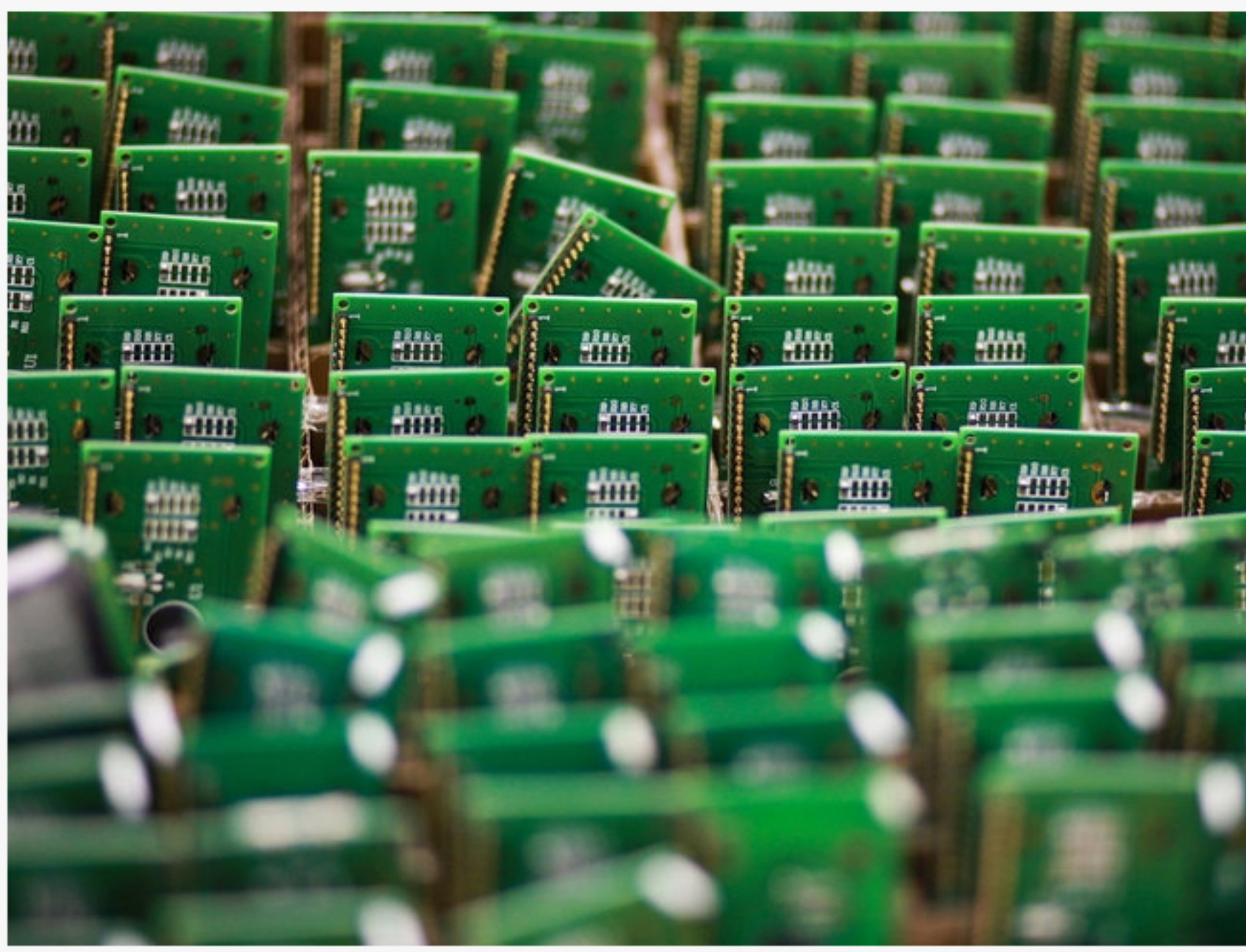
The foreign policy analyst made these statements while chairing a panel discussion on global partnerships for the future of technology at Semicon India 2022, which was held in Bengaluru from April 29 to May 1.

The government had organised the conference to get experts from all over the world to come together to discuss various subjects, including India's future in chip [manufacturing](#).

The semiconductors sector had a wide geographic dependence. For instance, the Netherlands is the only country that makes chip-making machines and South Korea is one of the largest manufacturers of chips. With the global order undergoing a change, it has become imperative for like-minded countries to develop partnerships so that the supply chain continues to function smoothly, said experts at the event. They expressed confidence India can become a [semiconductor](#) hub.

Gert Heijkoop, consul-general of the Netherlands, said: "India built space technology from scratch in a few decades and is now launching satellites at less than half the price that we do within Europe or the United States. Such a country can build on semiconductor technology and become leaders in this area."

Israel's [ISMC Analog Fab](#) recently announced that it will invest \$3 billion in Karnataka to set up a semiconductor chip-making plant. This is slated to be India's first semiconductor fabrication unit and it is expected to generate over 1,500 direct jobs and 10,000 indirect jobs.



Elaborating on an alliance India, Israel, the US and the UAE is looking to form for [chip](#) manufacturing, Ambassador of Israel Naor Gilon said the world was changing and countries were now looking for regional alliances. The group of four is set to work on infrastructure with an emphasis on technology. "India brings in technology and a huge market. The UAE brings in finances and ability to transport and build business. The Americans are bringing the full package. We are the smallest player here and are bringing technology. This alliance is extremely important for the future of our countries," he added.

Heijkoop said there is a lot of collaboration already with India in this field because the biggest Indian community in the European Union lives in the Netherlands and most of them work in technology. The consul-general said they were looking at ways to increase the cooperation between the two countries. "The ongoing chip crisis is affecting the production of cars, phones and electronic items. Production of chips needs to be extended to other places so that such a crisis can be averted in the future," he said.

The Netherlands-based ASML is among the prominent chip-makers in the world.

Australia's High Commissioner to India Barry O'Farrell said that both the nations have signed several trade agreements that give India access to critical minerals in Australia. The Australian government is seeking to de-risk investment from people from overseas and within Australia to develop these bonds. "The world has changed over the last two years and we have learnt a lot about supply chain issues during [Covid](#). We're planning to establish a consulate general in Bengaluru because it is a tech hub. We're also launching a joint center of excellence on critical and emerging technologies because we want to work together with India," he added.

Stressing on the importance of semiconductors, Drew Schufletowski, Minister Counselor for Economics, Energy, Science, and Technology, US Embassy, said, "This year marks the 75th anniversary of US-India diplomatic relations. From science and space, to new and emerging technologies ... there is no area that the US isn't working on with India. Covid-19 tested our resolve but it drove home the reality of our catalysed [reliance](#) on technology and connectivity, and the disastrous effects of global trade disruptions. We believe India has an opportunity to fully integrate into Indo-Pacific supply chains, including semiconductors, as investors and manufacturers increasingly seek alternatives to China in the wake of long-term rising costs and pandemic-driven instability."

Heijkoop shared an interesting observation about how technology and the language has changed in the past 40 years: "It was a different world when I joined the foreign service 40 years ago. An incubator was something you only found in hospitals, an accelerator was something you found in the car. And a conductor was a person that was standing in front of an orchestra and conducting it. But all that has changed, nowadays these things have different meanings."