

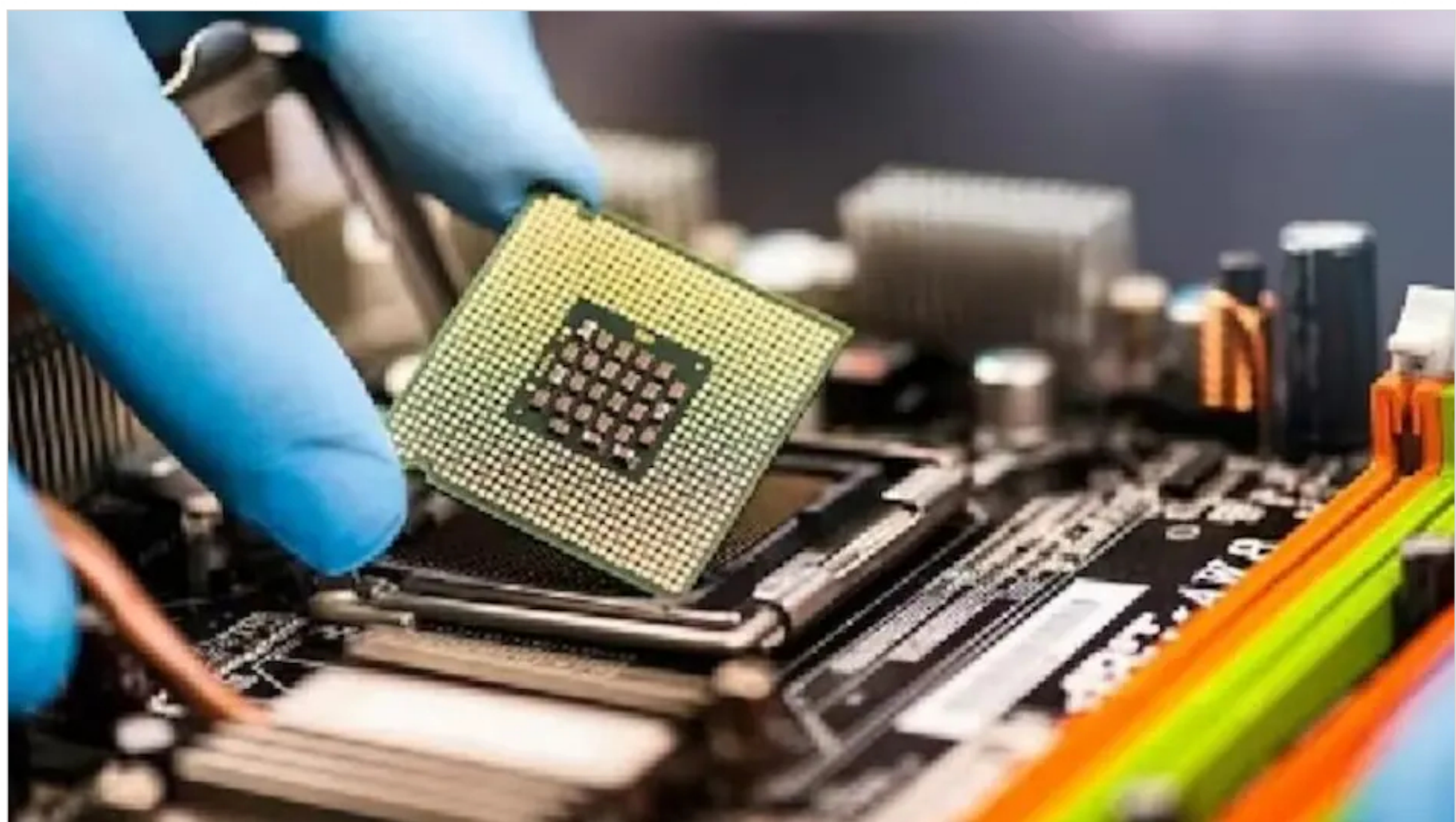
Future-proofing India: Industry advocates continued focus on electronics and semiconductors

They say the next step should be to promote more investment and focus on developing advanced infrastructure and educational initiatives to create a skilled workforce.



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The electronics industry is hopeful that the incoming government will continue to focus on accelerating plans for boosting chip manufacturing in the country. (Representational photo)

The Narendra Modi government, in its second term, laid the foundation for making India an electronics and semiconductor nation. In the midst of the pandemic, the government introduced the production-linked incentive scheme for mobiles, which has seen companies like Apple and Samsung scale up their production in India, not just for domestic usage but also for export. Soon after, the Modi government introduced the Semiconductor and Display Scheme in December 2021.

The electronics industry is hopeful that the incoming government will continue to focus on accelerating plans for boosting chip manufacturing in the country.

Navin Bishnoi, India Country Manager at Marvel, a fabless company, told Business Today, “The semiconductor ecosystem expects robust support from governments to drive growth and innovation. The government has strengthened the ecosystem with financial incentives like subsidies and tax breaks to mitigate high capital expenditures, along with clear regulatory frameworks that attract investments. The next step would be to further its investment and focus on the development of advanced infrastructure and educational initiatives to create a skilled workforce, which are crucial. Additionally, emphasis on design and innovation, trade-friendly policies, and support for sustainable manufacturing practices are vital. Meeting these expectations will enable a thriving semiconductor industry, essential for economic growth and technological advancement.”

Considering the strategic nature and the impact of electronics and semiconductors in every sector of the economy, right from defence to space, it’s very clear that the road to becoming a developed nation by 2047 goes through electronics and semiconductors.

Building on this thought, Satya Gupta, President of the VLSI Society, told Business Today, “In today’s technology-driven world and geo-political environment, no country can be a developed nation without a strong domestic electronics and semiconductor industry. India has laid a strong foundation for manufacturing, and the time is now to shift gear from manufacturing to domestic products and brands and make India a strong electronics and semiconductor product nation.”

As the increased market share of domestic products will have an immense positive impact on the economy, security, component ecosystem, and employment, it will help make India’s manufacturing sector more resilient and sustainable. “With the forward-looking long-term policies and meaningful incentives for all aspects of the ecosystem, including products, manufacturing, exports, components, infrastructure, and talent development, there is potential for a 10-15% contribution to GDP, \$1 trillion in exports, and 10 crore direct and indirect jobs,” adds Gupta.

Echoing Gupta’s sentiment, independent semiconductor analyst Arun Mampazhy says that between 2019 and 2024, the government made a good start with schemes like production-linked incentives, semiconductor schemes, and more. During the next five years (2024–29), both quality and quantity should go to the next level. **BT**