Check Against Delivery

Closing Remarks by H.E. Mr Sibi George
Ambassador of India to Japan
at Semicon Japan 2024
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Distinguished guests, ladies and gentlemen,

I am delighted to be here to deliver the closing remarks at the Semicon Japan 2024, to address this distinguished gathering of industry leaders, policymakers and experts associated with Semi-conductors, which today is the single most important element in any discussions whether it is

geopolitics, geo-economics or geo-technology. I am told that this Semicon Japan has been one of the most important, well attended and highly productive gatherings on semiconductors held in the history of Japan. I congratulate SEMI, its President and CEO Mr. Ajit Manocha, and the entire leadership for this most successful and memorable gathering. I am happy that India has been an important partner in this journey.

2. I would like to begin by sharing a personal experience that I had in Japan in the last two years. In fact, as a diplomat, my engagement with Japan is over twenty years old. I am returning to Japan as Ambassador after a gap of over twenty years. And in my last two years here, I travelled throughout the length and breadth of this country. To all 47 prefectures multiple times and met with the leadership, both political and business and also the main universities in each of these prefectures. I saw one common thread in all my interactions, i.e. Semiconductors.

Whether it is OIST in Okinawa or Rapidus in Hokkaido or the over forty companies in Kumamoto or Tokyo Electron in Yamanashi or Micron in Hiroshima. As someone who visited each of these places and interacted with the leadership, I can tell you this: Japan is back in the semiconductor game, steadily moving towards reclaiming its top position. I am happy that India too is in the semiconductor game, emerging as a reliable partner in the semiconductor supply chain.

3. Before I get into India's semiconductor story and India's partnership with like-minded countries like Japan, let me say a few words about India-Japan story. Our relationship is age-old and deeply rooted in our civilizational connect. Wherever you go in Japan, you can find a connection to India and our shared history and culture. In the last few decades, this relationship has evolved from a G-to-G to a B-to-B engagement, and today we have a Special Strategic and Global Partnership. Why is it

special? It is special because, to start with, we have no history of conflicts. We have history of friendship only. This is the solid foundation on which India Japan relationship is being built every day. Today we have excellent relationship at the bilateral, plurilateral and multilateral levels. In all areas of bilateral engagement, political, business, defence and security and of course people to people connect. Last month I signed the first MOI for co-development of defence equipment (UNICORN). At the plurilateral level, we have QUAD, a group of four likeminded countries connected by democracy and shared values, but one of the key focus areas is strengthening semiconductor supply chains. When I talk about QUAD each time I mention one pertinent question, what does India bring to the QUAD table. India brings 1/6th of the total population of the world, but not 1/6th of the problems of the world. We bring solutions to the table. That applies to every sector including our semiconductor sector.

Dear Friends,

4. In the past, India has not been a manufacturing-focused economy, with its foundation rooted in agriculture, with over forty percent in this sector. In the past few decades India made remarkable strides in the services and digital sectors. We missed the industrial revolution but did not miss the information revolution. I am happy to note that India is determined not to miss the Semiconductor revolution that we witness today. Today India is emerging as a manufacturing hub. To mention an example, the entire iPhone 16 lineup is now being manufactured in India, which means, iPhone Pro models are also being made by Apple manufacturers. As emerging technologies such as the Internet of Things (IoT), Artificial Intelligence (AI), autonomous vehicles, smart manufacturing, data centers, drones and robotics become increasingly

pervasive, the importance of semiconductors continues to grow in the Indian economic framework as well. India is poised to play a major role in these domains. Moreover, each of these technologies holds significant potential to deepen the India-Japan partnership, reinforcing our collaboration in critical and future-oriented sectors. Let me share with you that, as the Ambassador of India to Japan, not a single day goes by without my engagement in some aspect of semiconductors—whether it is in a bilateral, plurilateral, or multilateral context. In today's world, this is the most significant keyword in geopolitics and geo-economics in the Indo-Pacific and beyond.

5. While we see tremendous opportunities, lets remain alert that, despite their critical role in powering these innovations, the global semiconductor industry remains disproportionately concentrated in a handful of countries. This geographic concentration introduces vulnerabilities, making global supply

chains susceptible to disruptions caused by geopolitical tensions, natural disasters, and economic uncertainties. As the world becomes more interconnected and reliant on these advanced technologies, addressing these supply chain fragilities has become a pressing priority for governments, industries, and stakeholders worldwide. We believe that India can play a significant role in addressing these challenges.

6. In recent years, India is gradually emerging as a hub for semiconductor manufacturing, design, and research. Remarkable strides are being made in developing a robust semiconductor ecosystem in India. That is what we aspire for. India's semiconductor industry boasts 20% of the world's chip design talent, with about 125,000 engineers working in various aspects of chip design and development. In addition, we plan to train 85,000 engineers by 2027. All India Council for Technical Education (AICTE) has launched a 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.

7. Progressive policies under leadership of Prime Minister Modi have created a conducive environment for the semiconductor industry in India. India Semiconductor Mission (ISM) has been instrumental in nurturing strategies for building a resilient semiconductor and display ecosystem. The Semicon India Program offers attractive incentives to companies investing in semiconductor and display manufacturing facilities. With an approved outlay of ~US$10B, India's Semicon India program offers fiscal and non-fiscal support to establish semiconductor fabs, display fabs, ATMP/OSAT units, compound semiconductors, MEMS, sensors, and discrete device facilities in India.

8. As part of the Make-in-India initiative, the Government of India is committed to establishing the country as a global manufacturing hub. India is getting transformed into a manufacturing hub. Complementary schemes like the Design Linked Incentive (DLI), Chips to Startup, and the Scheme for Promotion of Electronic Components and Semiconductors (SPECS) aim to support this dynamic industry. On top of this, some state governments in India are also providing fiscal support of 20-25% to the projects approved by ISM. I am proud to share that India is the next semiconductor destination.

9. India has already attracted investments billions in a very short time and many more projects are in the pipeline. Many of the major players have their presence in India. Others are moving in. India is not just a participant in the semiconductor value chain but a partner in shaping its future. India aims to

develop an ecosystem that integrates R&D, advanced manufacturing, and global supply chain resilience. As Prime Minister Narendra Modi remarked at Semicon India 2024, “India’s semiconductor ecosystem offers solutions to global challenges, not just India’s challenges.” As I said before, India always brings solutions to the table, not problems.

10. Ladies and gentlemen, now let me touch upon briefly on opportunities for India-Japan collaboration in the sector. Japan holds a vital role in the global semiconductor supply chain, particularly in the production of semiconductor packaging materials, chemicals, and essential raw materials for semiconductor fabs. It is also a key player in manufacturing front-end fab tools, assembly, and testing equipment with leading global players, I don’t want to mention names. At the same time, India’s large talent pool, coupled with its cost-effective manufacturing capabilities, makes it a strategic and a

natural partner for Japan. Japan's history of excellence in electronics and semiconductor manufacturing, combined with India's growing pool of skilled engineers and thriving IT industry, makes this partnership a natural fit. We are already seeing a lot of interest from Japanese firms in India.

11. Last year a Memorandum of Cooperation (MoC) on Semiconductor Supply Chain Partnership between India and Japan marked a significant step forward. This agreement marks a new chapter in our bilateral relations, creating opportunities for government-to-government (G2G), business-to-business (B2B), and government-to-business (G2B) interactions. Under this MoC the first India-Japan Semiconductor Policy Dialogue brought together over 130 companies to explore opportunities for resilient semiconductor supply chains. Both nations agreed to advance co-investments, streamline supply chain logistics, and collaborate on R&D. The second Policy Dialogue, held in

May this year, focused on talent development and R&D in semiconductors. It featured interactions between leading institutions and companies from both countries, highlighting R&D initiatives, academia-industry collaborations, and opportunities for international engagement. The recently concluded India-Japan “Dialogue on Economic Security, including Strategic Trade and Technology” had again emphasized semiconductors as a priority area for India-Japan collaboration.

12. Friends, India’s semiconductor industry is expected to reach USD 110 billion by 2030. This presents an unprecedented opportunity for global stakeholders, including Japanese firms, to invest in India which offers an unparalleled value proposition as a global hub for semiconductors and related industries. Any investment by Japanese companies is an investment in Japan’s strategic depth, in resilient supply chains. Let’s not forget we

have no history of conflict; we have only history of friendship. India's proactive policies and targeted initiatives reflect our commitment to building a diversified, resilient, and sustainable semiconductor ecosystem – one that not only meets the demands of today but also anticipates the challenges of tomorrow.

13. We are committed to advancing our cooperation with Japan in this critical area. I am pleased to announce the opening of a new Indian consulate in Fukuoka, located in Kyushu—Japan's growing semiconductor hub, often called the "Silicon Island" of Japan. Kumamoto India is coming. This does not mean I am forgetting Hokkaido Valley, which has emerged as a significant player in the semiconductor landscape. Hokkaido, India is coming. Long live India Japan Partnership.

Thank you.

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