



Remarks by EAM, Dr. S. Jaishankar at the SemiconIndia Conference 2023

 July 30, 2023

It is a great pleasure to address the SemiconIndia Conference 2023. And I do so focussing on the subject of India's role in critical and emerging technologies.

2. Where India itself is concerned, most of you know as well as I do the expected growth of the domestic semiconductor market. You are also deeply familiar with the steadily expanding production of electronic products in the country. It is a natural outcome of the journey of India from being the fifth largest economy currently to the third largest, which is our current goal. Our strong interest in expanding this aspect of manufacturing is reflected in the Modified Semicon India Programme which provides appropriate fiscal incentives. This too is a facet of a larger endeavour to promote manufacturing in India, articulated in the 'Make in India' initiative and the vision of an Atmanirbhar Bharat. A more self-reliant India will ipso facto also be more self-reliant in semiconductor production. Similarly, an India that is seeking to enhance both the quality and quantity of its exports and become more deeply embedded in global value chains will also necessarily focus today on the semi-conductor domain.

3. There have been a wide range of global interactions as well on this very subject. Notable among them is the MoU on Semiconductor Supply Chain and Innovation Partnership that was concluded between India and the United States during Secretary Raimondo's visit in March 2023 to India. It sought to establish a collaborative mechanism that would represent a productive intersection of America's CHIPS and Science Act and India's Semiconductor Mission. During Prime Minister Modi's State visit to the United States in June

2023, semiconductors was also a focus of the talks with President Biden and his team. As you would be aware, the two leaders chaired a technology round-table with the brand names of industry. The Joint Statement highlighted this aspect of our cooperation. Three US companies – Micron Technology, Lam Research and Applied Materials – made specific commitments that have been the subject of your deliberations as well.

4. It is essential that these developments are viewed from the larger perspective of India and the United States building a technology partnership for the future. India's entry as the latest member of the Minerals Security Partnership is worth noting, given the importance today of diversifying and securing supply chains in that area. Similarly, cooperation between the two countries has been a visible tailwind in the sphere of advanced telecommunications. Even as India's 5G rollout starts to gather momentum, it is noteworthy to seek Bharat 6G and the American NextG Alliance co-lead research. Launching Open RAN deployments and participating in the US Rip and Replace Programme is also worth noting. This collaboration today extends to new initiatives and additional domains and can be expected to grow steadily. We see that, for example, in space where India is signing the Artemis Accords and promoting stronger ISRO-NASA collaboration. It is visible too in the creation of a Joint Indo-US Quantum Coordination Mechanism. The Innovation Handshake between Indian entities and the National Science Foundation (NSF) holds much promise. So too does the INDUS-X innovation bridge in defence technologies.

5. Earlier in May 2023, the leaders of the Quad grouping agreed at their meeting in Hiroshima on Principles on Critical and Emerging Technology Standards. This inter-alia supported industry-led, consensus based multi-stakeholder approaches. It endorsed technology standards that promote interoperability, competition, inclusiveness and innovation. The intent was to foster technology standards that support safety, security and resilience. These voluntary principles were meant to assist governments and organizations to develop appropriate standards and it is clearly Quad's expectation that many other nations would join them in that regard.

6. Japan is another significant partner in this particular domain and my meeting just this week with Foreign Minister Hayashi affirmed the priority that we both attach to it. Just this month, we concluded a Memorandum of Cooperation on Semiconductor Supply Chain Partnership. It is expected to

promote semiconductor design, manufacturing, equipment research, talent development and industrial resilience. I should also mention our Quad partner Australia, because of their salience in raw materials, critical minerals and innovative research. Do note that we have an ongoing Critical Minerals Investment Partnership with that country.

7. This is by no means an exhaustive list; in fact, it is meant as an impactful illustration. Critical and emerging technologies is an increasingly important subject of conversation with many key partners. With the European Union, for example, we held the first meeting of the Technology and Trade Council where I participated along with our Commerce & Industry Minister and the Minister of State dealing with Electronics. Critical technologies also finds due mention in the Horizon 2047 vision document issued at the end of Prime Minister's recent visit to France.

8. Having described the global cooperation landscape, allow me now to share my thoughts on the relevance of Critical and Emerging Technologies today in international relations. To begin with, it is an intrinsic element of the knowledge economy that is steadily unfolding. In fact, one of its primary characteristics is how deeply it embeds technologies in a manner that profoundly influences all aspects of our lives. If the very nature of our economic and social activities undergo a transformation as a result, it is not surprising that CET should now emerge as one of the important metrics of power. Who invents, who manufactures, what are the market shares, where are the resources, who has the skills, where is the talent pool - these are increasingly the crucial questions. The depiction of a Chip War may be somewhat overstated, but it has more than a fundamental kernel of truth. To a considerable extent, concerns in the CET field are influenced by how market shares and production dominance was leveraged in other areas. Technology trade is not just trade; it is as much as about political science. The truth is that we are seeing the re-emergence of export controls as a response to strategic assertions of economic strength. How to do business needs to be tempered with where and with whom to do it.

9. This today matters even more because of our recent experience with the Covid pandemic and the stresses that it induced in the international economy. We all woke up to the realization of the serious over-concentration of production in different domains. Whether it was disruption, manipulation or simply transactionalism, the final outcome was similar in generating an

anxiety about reliable, resilient and redundant supply chains. In the political world, there is already a debate underway on the downside of globalization. But in the technology and manufacturing worlds, this is a reality that cannot be reversed. The objective here is to optimise globalization; not deny its reality. If we are heading for an era of re-globalization with many more centres of production, one which is more collaborative, then you understand why it is so important that India has stepped up at this point of time. Our Semiconductor Mission is not just about meeting domestic requirements. It is also about contributing to a global demand for trusted manufacturing. Indeed, it is truly a powerful case for Make in India and Make for the World

10. Trust and transparency are also today key issues as we debate the future of the digital domain. Who processes and harvests our data is increasingly crucial in a world of artificial intelligence. Nor indeed can we any longer separate even basic manufacturing and everyday commodities and services from their data implications. As political democracies, pluralistic societies and market economies, we all have understandable concerns of both privacy and security. It is, therefore, essential that those of us who are comfortable working with each other enhance our collaboration. Another relevant factor here is the mismatch between demographic supply and workplace demand. The pace of change that we are witnessing when it comes to CET will also create an accompanying upheaval when it comes to the required talent pool. Here too, India can make a significant difference to the global economy. Particularly so as changes in the last decade in India are creating the infrastructure for stronger skill development, greater technical education and a more vibrant innovation culture.

11. My message to all of you, therefore, is to also reflect on the larger repercussions of the particular domains that you are concentrating on technologically. Your decisions and your relationships have implications far beyond your immediate business. It would contribute to re-engineering the global economy, adding to its stability, security and resilience. It could create new practices and even a new ethos for a global workplace. It could unleash the talents and creativity of those who will now get connected to contemporary vehicles of progress. Your presence here today is a statement of the impact of the Modi Government's good governance policies, of its making it easier to do business, of its Gati Shakti infrastructure initiatives and of its promotion of Ease of Living practices. I am confident that Day-3 will be as rewarding and productive as the earlier two. Let me conclude by

conveying my best wishes to all participants.

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