

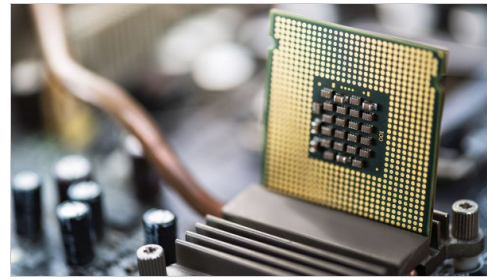
# India ramps up semiconductor sector with new chip package

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## The government's Semicon 2.0 aims to attract more investment, with major pledges from Micron and Tata, and plans for job creation

The government of India has announced plans to introduce further incentives for semiconductor companies as part of its ongoing commitment to fostering investment and job creation in the sector. Indian IT Minister Ashwini Vaishnaw disclosed that the second phase of the semiconductor policy, referred to as Semicon 2.0, is in development and expected to be implemented within three to four months, as reported by *The Times of India* on Sept. 12.



Source: Getty image /Sefa ozel

The initiative follows successful investment commitments received under the first phase, with significant pledges from both global and local companies including Micron and Tata. These commitments, valued at 760 million rupees (about \$9.05 million), have set the stage for an even larger incentive package to be proposed to the cabinet.

Tata Electronics has announced substantial investments for two new units in Gujarat, India, and Karnataka, India, anticipating the creation of 50,000 jobs and highlighting the potential for additional employment in the semiconductor ecosystem. Meanwhile, NXP Semiconductors and Renesas, companies based in the Netherlands and Japan, respectively, have expressed their long-term commitment to expanding their operations and research and development efforts in India. NXP plans to invest over \$1 billion in R&D, and Renesas aims to double its Indian workforce, supporting advanced semiconductor design activities for both local and global markets.

Larsen & Toubro also revealed plans to invest over \$300 million in the next three years to create a fabless chip company, aiming to design and sell semiconductors while outsourcing production. This initiative is set to bolster India's position in the semiconductor industry by designing 15 products by the end of 2024 and commencing sales in 2027.

The CEO of IMEC, an R&D provider, emphasized the long-term nature of semiconductor development and highlighted the strategic advantage India holds as a trusted partner in ensuring a reliable global supply chain, given its status as the world's largest democracy. This wave of investments and plans demonstrates a significant momentum in India's semiconductor industry, with the government's policy and incentives attracting major global and domestic players to the sector.

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