

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:5551
ANSWERED ON:07.09.2011
SEMI CONDUCTOR UNITS
Singh Shri Dhananjay

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) the present status of semi-conductor industry in the country and the growth expected in the next ten years;
- (b) whether the demand of the industry is mainly being met through import;
- (c) if so, the details thereof; and
- (d) the action taken by the Government to bridge the gap between import and indigenous manufacturing?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT)

(a): The domestic semiconductor consumption has been growing over the years. As per studies conducted by India Semiconductor Association (ISA), the total market for semiconductors was estimated at US\$ 6.55 billion in year 2010 and is projected at US\$ 8.25 billion in the year 2011. The country's semiconductor production is around US\$ 100 million. The expected semiconductor demand w.r.t current growth trend is approx. US\$ 50 billion by the year 2020.

(b): Yes, Sir.

(c): Most of India's semiconductor demand is presently met by imports from countries like Taiwan, USA, and Japan.

(d): Government had announced a Special Incentive Package Scheme for attracting investment in semiconductor wafer fabs in the country in 2007. However, no semiconductor wafer fab investment resulted. Therefore, in May, 2011, Government has set up an Empowered Committee (EC) for identifying technology and investors for setting up two Semiconductor Wafer Fabrication (Fab) Manufacturing facilities in the country; and to assess and recommend the nature and quantum of Government support required in this regard to translate the interest into investment. The Committee has already issued an Expression of Interest in national and international publications and major websites.