

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO. 709
TO BE ANSWERED ON: 24.07.2026

STATUS OF SEMICONDUCTOR MANUFACTURING

709. SHRI ABDUL WAHAB :

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

- (a) the current status of semiconductor manufacturing in the country, including public and private investments made under Government initiatives;
- (b) whether Government has assessed challenges relating to critical chemicals, raw materials, components and supply chains, if so, the details thereof;
- (c) the present domestic demand and production capacity of semiconductors, along with projected demand over the next five years;
- (d) whether global semiconductor market volatility has increased the prices of computers, mobile phones and other electronic devices in the country; and
- (e) the measures taken to strengthen domestic manufacturing, ensure a level playing field, stabilise semiconductor prices and protect consumers?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI JITIN PRASADA)

(a) to (e): India's electronics sector has witnessed significant progress in recent years through a combination of government support and private-sector investment.

India's success in electronics manufacturing:

Inspired by the Hon'ble Prime Minister's vision of AtmaNirbhar Bharat and making India a global electronics manufacturing hub, Government adopted structured and targeted policy initiatives for the development of electronics manufacturing across the entire value chain including semiconductors.

As a result, India now has emerged as one of the major electronics manufacturing ecosystems as seen below:

#	2014-15	2025-26	Remarks
Production of electronics goods (₹)	~1.9 Lakh Cr	~13.11 Lakh Cr	Increased 7 times
Export of electronics goods (₹)	~38 thousand Cr	~4.24 Lakh Cr	Increased 11 times
Production of mobile phones (₹)	~18 thousand Cr	~6.27 Lakh Cr	Increased 33 times

Export of mobile phones (₹)	~1500 Cr	~ 2.59 Lakh Cr	Increased 165 times
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India now manufactures around 99.2% of the total mobile phones sold in the country. Mobile phones have emerged as the single largest exported item. Industry estimates that electronics manufacturing now provides employment to nearly 25 Lakh people.

Demand for components, materials & chemicals arise only when the ecosystem of finished goods reach a certain scale. These upstream supply chain items face various disabilities such as high capital cost, high gestation period, uncompetitive due to scale and access to technology etc.

To overcome these challenges, Government launched Electronics Component Manufacturing Scheme (ECMS) for promotion of manufacturing of non-semiconductors upstream supply chain which include components, sub-assemblies and even raw materials.

Semicon India Programme:

The Government launched the Semicon India Programme in January 2022 to develop semiconductor and display manufacturing ecosystem. The details of the programme are available at www.ism.gov.in.

Under Semicon India Programme, Government has approved 12 semiconductor manufacturing projects with total investment commitments of about Rs. 1.64 lakh crore. Out of these 12 projects, commercial production has already been commenced from following three plants:

- Micron Semiconductor Technology India Pvt. Ltd,
- Kaynes Semicon Pvt. Ltd
- CG Semi Pvt. Ltd.

Semicon2.0:

Building on the success of Semicon India 1.0, the Union Cabinet approved Semicon 2.0 on July 15, 2026. This initiative aims to establish a self-reliant, globally competitive semiconductor design and manufacturing ecosystem. Semicon 2.0 is built on following six pillars:

S. No.	Pillars	Segment
1	Design of Chips	Strategic & commercial chips
2	Machines and materials	Equipment, chemicals, gases, materials
3	Setting up more Fabs	Silicon, display, compound etc.
4	Further strengthening the ATMP/OSAT industry	Advanced & legacy packaging
5	Research & Development	Advanced technologies
6	Talent Development	Design & manufacturing talent

The Semicon2.0 has dedicated pillars for development of supply chain (Equipment, chemicals, gases, materials etc), research and development for advanced technologies and also for talent

development for design and manufacturing. Further, the approved applicants are also tying up with various global and local supply chain partners to ensure long term supply of the chemicals, gases and other raw materials.

Further, India has joined the *Pax Silica* coalition to strengthen resilient and trusted global supply chains for semiconductors, AI infrastructure and critical minerals. This complements India's bilateral partnerships with the USA, EU, Japan, Singapore, the Netherlands and Germany to promote technology collaboration, investment and secure supply chains.

The semiconductor industry is a foundational industry driving the technologies of the future, including AI, the Internet of Things (IoT), electric mobility, advanced electronics, and 5G/6G networks.

The rapid expansion of AI applications has significantly increased global demand for high-performance memory and advanced chips. These chips are getting their demand from AI servers and data centres. That's why we are witnessing a growing share of semiconductor production being directed towards AI infrastructure.

The semiconductor industry is inherently cyclical, with periodic fluctuations in demand and supply. Manufacturers respond to these market dynamics through portfolio rationalisation, optimisation of product specifications and adjustments in production mix.

As per industry estimates, the present demand of semiconductors in India is around USD 55-60 Bn, which is projected to reach around USD 100 Bn by 2030.
