

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 4881
ANSWERED ON 01/04/2025

IMPACT OF US TARIFFS

4881. SHRI HARIBHAI PATEL:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) the details of agreements and collaborations Government has entered into in the fields of AI, semiconductor chips and biotechnology to mitigate the impact of US tariffs;
- (b) the potential benefits of these partnerships for India's technological and industrial growth, particularly in the context of global supply chain disruptions;
- (c) the expected impact of these tie-ups on India's domestic innovation ecosystem, manufacturing capabilities and export competitiveness; and
- (d) the measures taken to reduce India's dependency on external technology sources while fostering a resilient economic framework?

ANSWER

वाणिज्य और उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

(a) to (d) India takes appropriate steps to foster innovation ecosystem in the field of AI, semiconductor chips and biotechnology through collaboration with various countries including the US. During the 5th India-USA Commercial Dialogue, an MoU between India and USA to establish Semiconductor Supply Chain and Innovation Partnership was signed which is aimed to enhance bilateral collaboration for advancing resilient semiconductor supply chains and leverage complementary strengths of the two countries.

The initiatives, inter alia, through increased collaboration between U.S. and Indian companies in the field of investments, joint ventures, and technology partnerships, are aimed at mitigating the impacts of supply chain disruptions through identification of near-term commercial opportunities and facilitate longer-term strategic development of semiconductor innovation ecosystems; promote talent and workforce and R&D development, create enabling environment for increased cross-border trade and investment in the semiconductor ecosystem, facilitate business-to-business (B2B) collaboration between the U.S. and Indian semiconductor industries.

Further, these initiatives are likely to foster domestic innovation ecosystem, manufacturing capabilities and export competitiveness by driving scientific advances and innovation ecosystem; promoting research and innovation through the private sector to address priority- driven, solution-focused research to benefit innovators, researchers and other stakeholders.

In order to create a robust semiconductor ecosystem and reduce India's dependency on external technology sources while fostering a resilient economic framework, inter alia, Government of India has introduced Semicon India Programme with an outlay of Rs 76,000 crore which provides fiscal support for setting up of Semiconductor Fabs, Display Fabs, Compound Semiconductors / Silicon Photonics (SiPh) / Sensors (including Micro Electro-Mechanical Systems) Fab/ Discrete Semiconductor Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / Outsourced Semiconductor Assembly and Test (OSAT) facilities in India. It also provides Product Design Linked Incentive and also Deployment Linked Incentive for incentivizing chip design. The programme has led to significant investments in the sector over last few years.

Further, to promote indigenous innovation, the Anusandhan National Research Foundation (ANRF) has been established for global positioning of India in key technology sectors and catalyse multi-institutional, multi-disciplinary and multi-investigator collaboration with industry. Besides, Prime Minister Early Career Research Grant (PMECRG) scheme and MAHA Programme of ANRF have been launched for promoting indigenous research and development in the country. These schemes ensure providing proper resources and financial assistance to the scientists and researchers in their bids to carve out a niche at the global forum.
