



KAMARAJ IAS ACADEMY
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Memorandum of Cooperation between India and Japan

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Why is in news? Cabinet approves Memorandum of Cooperation between India and Japan on Japan-India Semiconductor Supply Chain Partnership

The Union Cabinet chaired by Prime Minister was apprised of a Memorandum of Cooperation (MoC) signed in July, 2023 between the Ministry of Electronics and Information Technology of the Republic of India and the Ministry of Economy, Trade and Industry of Japan on **Japan-India Semiconductor Supply Chain Partnership**.

The MoC intends to **strengthen cooperation between India and Japan** towards enhancement of semiconductor supply chain, recognizing the importance of semiconductor for the advancement of industries and digital technologies.

The MoC shall come into effect from the date of signature of the Parties and shall be remain in force for a period of five years.

Both G2G and B2B bilateral Cooperation on opportunities to **advance resilient semiconductor supply chain** and leverage complementary strengths.

MoC envisages **improved collaboration leading to employment opportunities in the field of IT**.

Background:

MeitY has been actively working to create a conducive environment for electronics manufacturing.

Programme for Development of Semiconductor and Display Manufacturing Ecosystem in India was introduced with a view to ensure the development of a robust and sustainable semiconductor and display ecosystem in India.

The said program **aims to extend fiscal support for establishment** the Semiconductor Fabs, Display Fabs, Fabs for Compound Semiconductors/Silicon Photonics/Sensors/Discrete Semiconductors and Semiconductor Assembly, Testing, Marking, and Packaging (ATMP)/Outsourced Semiconductor Assembly and Test (OSAT) facilities.

Further, **India Semiconductor Mission (ISM)** has been established under Digital India Corporation (DIC) to drive India's strategies for **development of semiconductor and display manufacturing ecosystem** in the country.

MeitY has also been mandated to **promote international cooperation in the emerging and frontier areas** of Information Technology under bilateral and regional frameworks.

With this objective, MeitY has entered into MoUs/MoCs/Agreements with counterpart organizations/agencies of various countries to promote bilateral cooperation and exchange of information and also to ensure supply chain resilience enabling India emerge as trusted partner.

Kamaraj IAS Academy

Plot A P.127, AF block, 6 th street, 11th Main Rd, Shanthi Colony, Anna Nagar, Chennai, Tamil Nadu 600040

Phone: **044 4353 9988 / 98403 94477 / Whatsapp : 09710729833**

Enhancing mutual collaboration between Japan and Indian companies through this MoU is another such step towards mutually beneficial semiconductor related business opportunities and partnerships between India & Japan.

In view of synergies and complementarities between the two nations, "**India-Japan Digital Partnership**" (IJDP) was launched during the visit of PM Modi to Japan in October 2018 furthering existing areas of cooperation as well as new initiatives within the scope of cooperation in S&T/ICT, focusing more on "Digital ICT Technologies".

Based on the **ongoing IJDP and India-Japan Industrial Competitiveness Partnership** (IJICP), this MoC on Japan-India Semiconductor Supply Chain Partnership would further broaden and deepen the cooperation in the field of electronics ecosystem.

Recognizing the importance of semiconductor for the advancement of industries and digital technologies, this MoC would provide for the enhancement of semiconductor supply chain resilience.