Pax Silica and MSP: Why India Joined Late

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Pax Silica Latest News

- India's belated induction into US-led initiatives like **Minerals Security Partnership** and **Pax Silica** has evoked a sense of déjà vu among policymakers.
- As with MSP—where India joined a year after launch—its entry into Pax Silica came after the initiative was already underway, seen largely as a **conciliatory gesture** amid efforts to steady bilateral ties.
- The significance lies in what these groupings signal about the emerging global tech order, especially as countries reorganise supply chains in strategic sectors with Chinese presence.
- Platforms like Pax Silica could shape rules by addressing chokepoints in inputs such as magnets and critical minerals—effectively determining where leverage will sit.
- India's initial exclusion, followed by a late inclusion, carries a subtle message: strategic goodwill alone may not suffice.
- To be a partner of first choice in US-led initiatives, India must be seen as bringing tangible capabilities and value to the table in shaping resilient, rules-setting supply chains.

About Pax Silica

- Pax Silica is a US-led strategic initiative aimed at countering China’s dominance in next-generation technologies.
- It seeks to reduce “coercive dependencies” and protect materials and capabilities foundational to artificial intelligence, enabling aligned nations to develop and deploy transformative technologies at scale.

Objectives and Scope

- According to the US State Department, Pax Silica is designed to build a secure, prosperous, and innovation-driven silicon supply chain.
- It aims to ensure access across the entire AI stack—from critical minerals and semiconductor chips to security and logistics infrastructure.

Key Thrust Areas Under Pax Silica

- Under Pax Silica, participating countries aim to:
  - Pursue joint ventures and strategic co-investments
  - Protect sensitive technologies and critical infrastructure from undue foreign control
  - Build trusted technology ecosystems spanning ICT systems, fibre-optic cables, data centres, foundational AI models, and applications

Founding Members and Their Strengths

- The inaugural Pax Silica Summit brought together Japan, the Republic of Korea, Singapore, the Netherlands, the United Kingdom, Israel, the United Arab Emirates, and Australia.
- These countries collectively host key companies and investors that power the global AI and semiconductor supply chain, reflecting their technological or resource-based leverage.

Why India Was Initially Excluded from Pax Silica

- Pax Silica aims to secure supply chains spanning critical minerals, energy inputs, advanced manufacturing, and semiconductors.
- India’s initial absence reflects perceptions that it **lacks decisive edge technologies** or control over key resources central to the grouping’s objectives.

What the Selected Countries Bring

- Each of the eight founding members offers a distinct strategic advantage:
  - **The Netherlands** controls specialised lithography machines vital for chipmaking.
  - **Japan and South Korea** bring deep technology and manufacturing expertise.
  - **Australia** contributes critical mineral reserves and mining capabilities.
  - **Israel** is a global innovation and technology hub.
  - **Singapore** serves as a major transhipment and logistics hub.
  - **The UK** offers strengths in services and technology.
  - **The UAE** has rapidly built AI capabilities and supporting infrastructure.

A Familiar Pattern from MSP

- A similar logic shaped the initial membership of the Minerals Security Partnership, where early partners included countries with clear mineral, technology, or institutional advantages.
- India joined later, despite its efforts to position itself as a node in global supply-chain realignment as firms diversify away from China.

The Takeaway for India

- The common thread among the founding members is a **tangible lead in AI or semiconductor supply chain**s—an area where India currently lacks comparable processing capacity and expertise.
- As with earlier initiatives such as the MSP, this gap explains India's absence at the outset.
- The exclusion underscores a consistent message: entry into US-led strategic groupings hinges on demonstrable capabilities and leverage—not just intent.
- To be a first-choice partner, India must strengthen its control over critical inputs, technologies, or platforms that shape supply-chain rules.

Shared Challenge: China's Critical Minerals Dominance

- Experts point out that China's dominance in critical minerals has created sharp global price gaps, **disadvantaging** non-Chinese supply chains.
- While this opens space for India to attract US investment, it also raises risks of Chinese coercion as India deepens alignment with Washington.
- US Treasury Secretary Scott Bessent framed China's export controls as "China versus the rest of the world," calling for support from Europe, India, and Asian democracies.
- Despite this rhetoric and shared concerns, India remained outside Pax Silica's initial list, underscoring a gap between strategic alignment and perceived capabilities.

Source: IE | IE
