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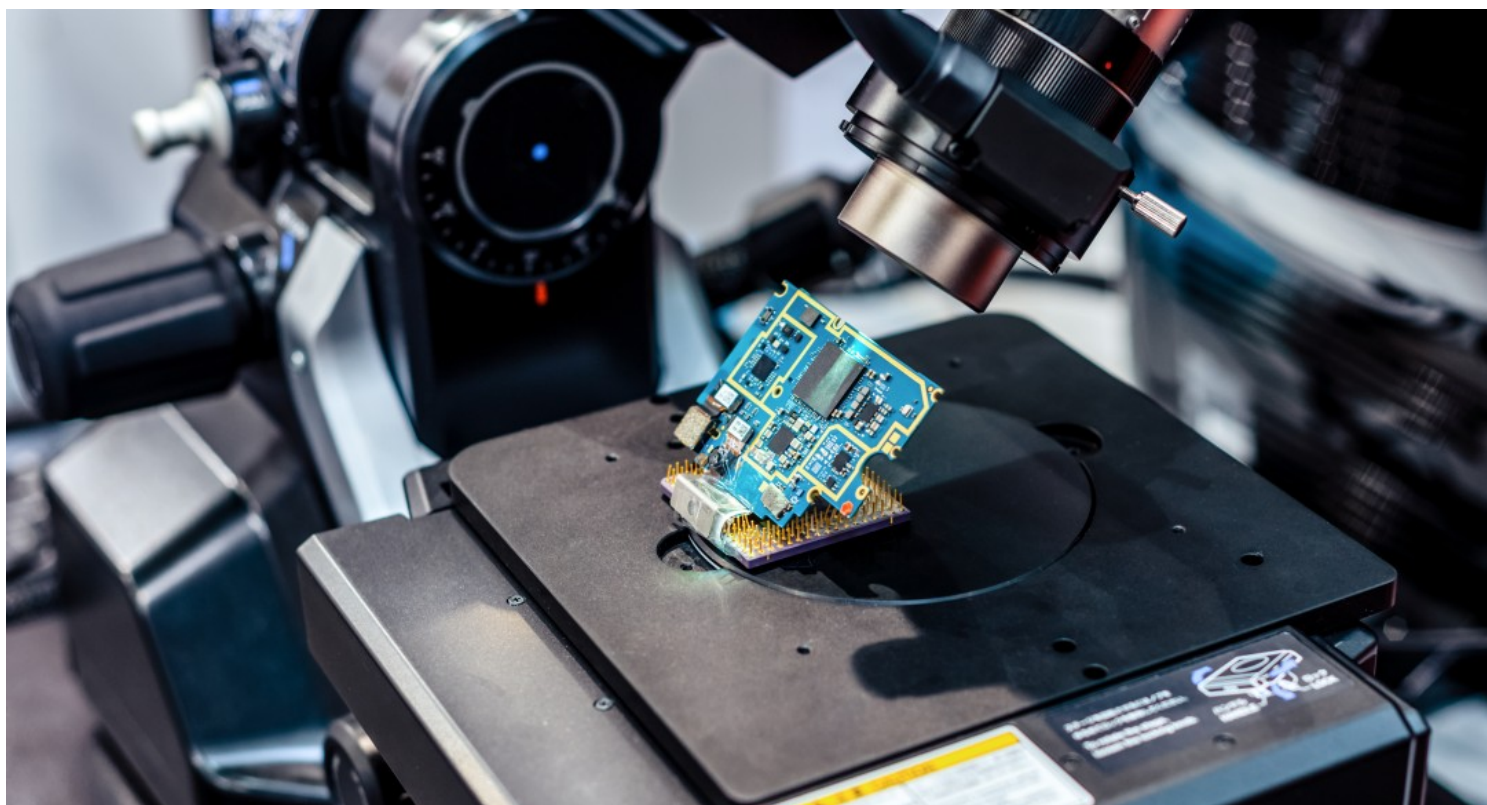
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Thierry Breton



## How a European Chips Act will put Europe back in the tech race

...




**Thierry Breton**

Commissaire européen pour le marché intérieur chez European Commission

Published Sep 15, 2021

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But it is not only about supply and demand.


## *Semiconductors are at the core of the global technological race*

Semiconductors are at the centre of strong geostrategic interests, and at the core of the global technological race.

Superpowers are keen to secure their supply in the most advanced chips as they are well aware that it will condition their capacity to act (militarily, economically, industrially) and drive digital transformation.

Chips are a strategic component of any industrial chain. **The race for the most advanced chips is a race about technological and industrial leadership.**

The US are now discussing a massive investment under the American Chips Act designed to finance the creation of an American research centre and to help open up advanced production factories. The objective is clear: to increase the resilience of US semiconductor supply chains.

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*competitiveness. This is also a matter of tech sovereignty. So let's put all of our focus on it."*


By announcing a **European Chips Act** in her **State of the European Union address today**, President Ursula von der Leyen has sent a **strong geopolitical and economic signal**.

Member States are currently designing national strategies to develop on their soil industrial and production capacities in order to reduce their dependencies.

### *A coherent European vision and strategy*

With the European Chips Act, these national efforts can be integrated in a **coherent European vision and strategy**.

It will also provide a framework to avoid a race to national public subsidies fragmenting the single market, set conditions to protect European interests and place Europe firmly in the global geopolitical landscape.

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level while preserving our strategic interests.

Secondly, **a collective plan to enhance European production capacity**.

We must regularly monitor our industrial supply chains, anticipate possible future disruptions, and ensure the resilience of our entire supply chain including design, production, packaging, equipment and suppliers such as producers of wafers. We must also support the development of European fabrication plants – “mega fabs” – able to produce in high volume the most advanced (towards 2nm and below) and energy-efficient semiconductors.

Thirdly, **a framework for international cooperation and partnership**.

The idea is not to produce everything on our own here in Europe. In addition to making our local production more resilient, we need to design a strategy to diversify our supply chains in order to decrease overdependence on a single country or region. And while the EU aims to remain the top global destination of foreign investment and we welcome foreign investment to help increase our production capacity especially in high-end technology, through the European Chips Act we will also put the right conditions in place to preserve Europe’s security of supply.

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in strategic industrial areas.

With today's announcement by President von der Leyen, Europe is throwing its hat in the ring.

**With the European Chips Act, our tech sovereignty is within reach.**

The moment is now.

1,238 · 69 Comments

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**Rémy Charavel**

20h

Rémy Charavel

Nice intentions, however does the program tackle the raw materials supply issue (metal, rare earth, etc?). The current chip shortage is caused by lack of production capacity, but an embargo or depletion of raw materials could create the next shortage!

Like Reply




**Jean-Michel Mur**

1d

Jean-Michel Mur

Questions impertinentes : quels pays seront-ils les principaux bailleurs de fonds ? Dans quel pays seront (ou sera) implantées les usines de fabrication ? Sous quelle gouvernance ? Quels espoirs de bénéfices ? Quel retour sur investissement (ROI)

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We are in the era of the "More than Moore" and there are plenty of opportunities to leverage the excellent R&D that still exists in Europe (IMEC, CEA-Leti, Fraunhofer, etc.), combined with partnerships to get the pieces we are missing. What is required is leadership - not politics - and that is where Europe has difficulty finding and embracing such visionary champions (and not just for the Semiconductors Industry).

**Like** **Reply** | 1 Like



**Andrea Gallo**

**Andrea Gallo**

2d

Thierry Breton we shall not only grow the production capacity with more production lines and increase the research activities to develop new leading edge production technologies, but we need also to create a renewed ecosystem of companies DESIGNING chips that would hopefully saturate those new production lines. Building new capacity to leave it unused would represent a huge loss.

We need innovative design companies able to develop 5G chips, smartphone chips, AI chips, cloud and server chips to run scientific workloads but also e-commerce, cyber security and more. Not just automotive.


Remember that in the last fifteen years we saw ST stop all smartphone, consumer and digital TV activities, TI close the smartphone team in Sophia, etc. Fabless companies in California and Asia were just more competitive and faster in designing new generations of processors. We need to change this, it will drive the demand for new production capacity.

Federico Fubini wrote a great analysis on the Italian situation and the sovereignty of semiconductors last May here on Il Corriere della Sera:  
[https://www.linkedin.com/posts/federico-fubini-87769387\\_dai-piani-del-recovery-sputa-una-fabbrica-activity-6795946873355157504-nEf0/](https://www.linkedin.com/posts/federico-fubini-87769387_dai-piani-del-recovery-sputa-una-fabbrica-activity-6795946873355157504-nEf0/)

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