



Brussels, 18 April 2023

FOR IMMEDIATE RELEASE

ESIA welcomes the approval of the EU Chips Act in support of the semiconductor industry

Today, the European Parliament and the Council of the EU have reached agreement on the “EU Chips Act”, successfully concluding interinstitutional ‘trilogue’ negotiations. This crucial bill focuses on the European semiconductor industry as a key enabler of technologies that render modern societies possible. A secure supply of chips is integral to advancing the digital and green transitions in Europe.

The “EU Chips Act” is a significant piece of EU legislation for the strategically important European semiconductor industry, intending to draw investments to the EU, and gain a solid chip manufacturing footprint. It is improving the playing field vis-à-vis other major semiconductor-producing regions with similar incentive programmes, contributing to establish the EU as an important industry leader worldwide. ESIA, as the voice of the semiconductor industry in Europe, recognises the political ambition and swift adoption.

Together with the Act’s fast permitting, Europe has the potential to make up ground on other regions and significantly grow its manufacturing base. The “EU Chips Act” has already had a trigger effect before today’s agreement: since it was first proposed, several ESIA member companies have announced large-scale investment projects worth billions of euros.

To keep the momentum going, approval procedures for first-of-a-kind facilities should receive the highest possible priority. Such highly complex manufacturing projects need several years before they are operational, so their crucial contribution to supply chain resilience should not be held up by unnecessarily lengthy administrative proceedings.

Notwithstanding, there are a couple of aspects that regulators must take into account when implementing the “EU Chips Act” to maximise the positive impact on the EU’s technological sovereignty. The European semiconductor industry is expecting that market intervention powers are only wielded with utmost caution to safeguard an attractive investment climate in the EU. In fact, a strong ecosystem should be supported through a consistent policy framework. Thereby, the focus should remain on research & innovation to ensure Europe’s position as global technology leader. As acknowledged by the “EU Chips Act”, the lack of the right talent pool remains the biggest risk factor for a knowledge-driven sector as the semiconductor industry: therefore, significant investments in skills creation and workforce training should be fostered in the future.

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About ESIA: *The European Semiconductor Industry Association (ESIA) is the voice of the semiconductor industry in Europe. Its mission is to represent and promote the common interests of the Europe-based semiconductor industry towards the European institutions and stakeholders in order to ensure a sustainable business environment and foster its global competitiveness. As a provider of key enabling technologies, the industry creates innovative solutions for industrial development, contributing to economic growth and responding to major societal challenges. Being ranked as the most R&D-intensive sector by the European Commission, the European semiconductor ecosystem supports approx. 200.000 jobs directly and up to 1.000.000 induced jobs in systems, applications and services in Europe. Overall, micro- and nano-electronics enable the generation of at least 10% of GDP in Europe and the world.*