



European
Semiconductor
Industry
Association

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ESIA urges swift launch of the second IPCEI on Microelectronics

The European Semiconductor Industry Association (ESIA) would like to emphasise that pre-notifying and launching the Important Project of Common European Interest (IPCEI) on Microelectronics and Communications Technologies is becoming an urgent matter for safeguarding Europe's competitiveness.

Over the past year and a half, an extraordinary surge in demand has disrupted the delicate balance of the European semiconductor industry's supply chain. While ESIA is welcoming the political ambition from the European Commission and Member States to support the European semiconductor industry, it is necessary to stress that the pre-notification of the IPCEI on Microelectronics and Communications Technologies has yet to be issued. The industry is ready to do everything necessary, together with the Member States and the European Commission, to bring this process to a rapid conclusion.

Meanwhile, several governments in major chip producing regions across the globe are pressing ahead with significant incentive programmes to tweak supply in their favour. For instance, in the United States of America, bills are currently being discussed to appropriate \$ 52 billion to "*restore semiconductor manufacturing back to American soil*"¹. Taking inspiration from U.S. initiatives., the government of South Korea is also providing \$ 65 billion in public funds to safeguard its position within the semiconductor ecosystem. Japan has launched a strategy in support of advanced manufacturing technologies, accelerated investment, and its domestic design & logic semiconductor development. The People's Republic of China is injecting up to \$ 160 billion to achieve its ambitions of domestically producing 70% of its semiconductor needs by 2025.

Europe cannot delay its most promising instruments in 'turning the tide' for the European semiconductor industry; even considerable investments into strategic sectors may lose out on the faster moving international competition. Therefore, ESIA is urging the European Commission and EU Member States to swiftly proceed with the pre-notification of the IPCEI, so that its industry may speed up research & development & innovation projects and associated first industrial deployment without any further delay.

In light of these challenges, ESIA would welcome the European Commission's support and Member States in the implementation of the IPCEI on Microelectronics and Communications Technologies.

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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.*

¹ Committee on Foreign Affairs – Republicans (10/06/2020). *Bipartisan, Bicameral Bill Will Help Bring Production of Semiconductors, Critical to National Security, Back to U.S.*, Press Release. URL: <https://gop-foreignaffairs.house.gov/press-release/bipartisan-bicameral-bill-will-help-bring-production-of-semiconductors-critical-to-national-security-back-to-u-s/> (retrieved 21/09/2021)