

EU chief outlines ambitious plan to boost bloc's chipmaking

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An MEP waits in the plenary for the session to begin at the European Parliament in Strasbourg, France, Wednesday, Sept. 15, 2021. The European Union announced Wednesday it is committing 200 million more coronavirus vaccine doses to Africa to help curb the COVID-19 pandemic on a global scale. Credit: Yves Herman, Pool via AP

The European Union's top official outlined ambitious plans to help beef up the bloc's chipmaking capability in the face of intensifying global competition for semiconductors.

European Commission President Ursula von der Leyen unveiled the European Chips Act on Wednesday to provide official support for the bloc's "chip ecosystem" so that the continent can stand on its own when it comes to producing the vital technology.

Semiconductors are the tiny microchips that act as the brains for everything from smartphones to cars, and an extended shortage has highlighted the importance of chipmakers, most of which are based in Asia, to [global supply chains](#). Automakers have been among the hardest hit by the shortage, which has slowed or halted production.

"While [global demand](#) has exploded (for chips), Europe's share across the entire value chain, from design to manufacturing capacity has shrunk," von der Leyen said in a self styled State of the European Union address to the bloc's parliament in Strasbourg. "We depend on state-of-the-art chips manufactured in Asia."

Europe's Chips Act will link research, design and testing, and coordinate EU and national investment, she said.

"The aim is to jointly create a state-of-the-art European [chip](#) ecosystem, including production," which will ensure a secure supply of chips, she said. She didn't specify whether [financial support](#) would be given.



European Commission President Ursula von der Leyen delivers a State of the Union Address at the European Parliament in Strasbourg, France, Wednesday, Sept. 15, 2021. Stung by the swift collapse of the Afghan army and the chaotic U.S.-led evacuation through Kabul airport, the European Union on Wednesday unveiled new plans to develop its own defense capacities to try to ensure that it has more freedom to act in future crises. Credit: Yves Herman, Pool via AP

The U.S. has also been stepping up efforts to bolster the industry, and lawmakers approved a bill earlier this year with the goal of boosting domestic semiconductor production, part of a wider rivalry with China over trade and technology.

Von der Leyen said chipmaking is also important for Europe's "tech

sovereignty" - the idea that the EU should be more self-sufficient and rely less on U.S. or Chinese tech.

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