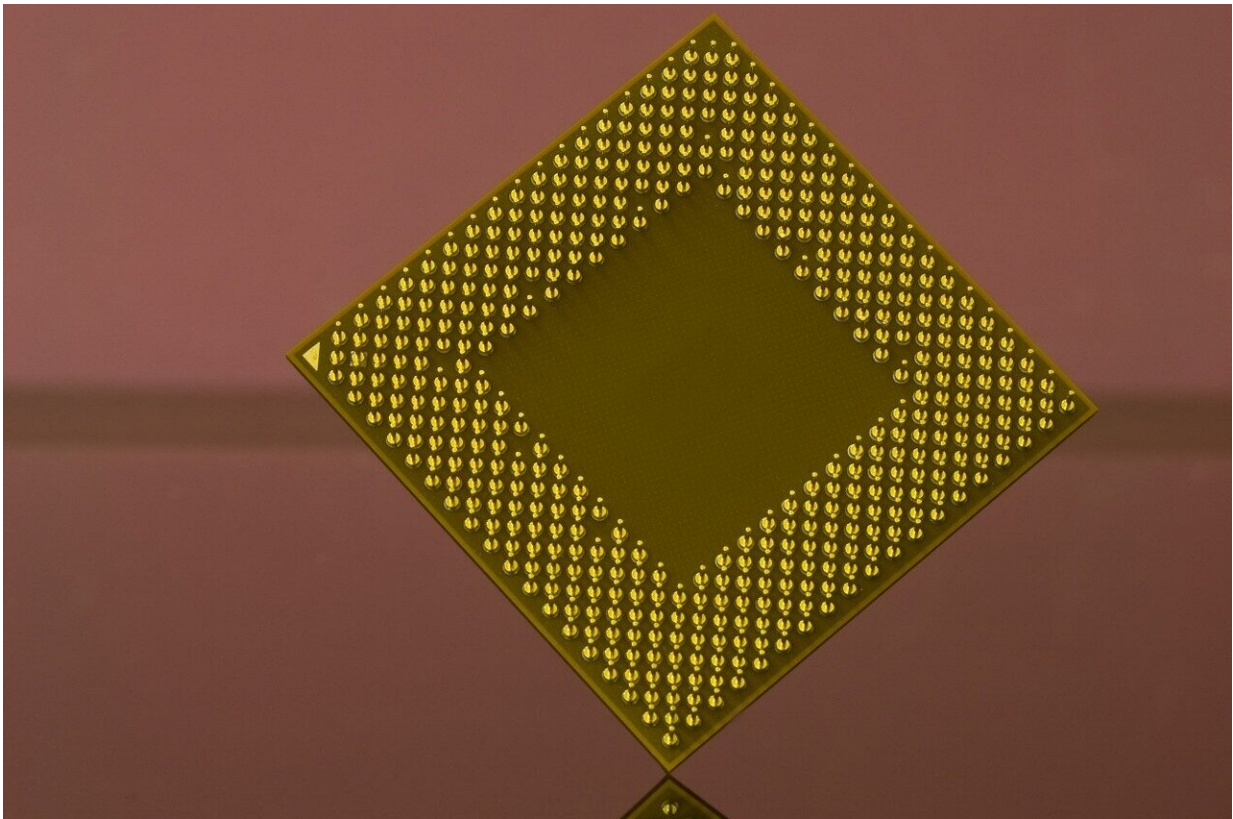


Europe must boost chip production amid Asia risks: EU chief

May 2 2023



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Europe must boost mass production of vital semiconductors due to worsening geopolitical risks in Asian chip-making centers, European Commission president Ursula von der Leyen said Tuesday.

She made the comments at the ground-breaking of a five-billion-euro (\$5.5 billion) chip factory in Dresden, among a series of new semiconductor projects in Germany.

The EU is racing to reduce reliance on semiconductors produced in Asia, and last month struck an agreement aiming to double the bloc's global market share to 20 percent in 2030 and mobilize massive investment.

Von der Leyen said Europe was home to many leading companies in the chip sector but had failed to treat the production of semiconductors as a priority in recent years.

The current global focus of chip production was in Taiwan and South Korea, regions prone to high tensions, she added.

"Any trade disturbance would immediately harm the strong industrial base of Europe and our strong internal market," she said.

"We have seen how geopolitical tensions have increased over the past few years."

It was important for Europe to strengthen supply chains, she said, adding: "For semiconductors, which are so important, we need more [mass production](#) here in Europe."

Taiwan's status as a chip-making center is causing geopolitical jitters as China increasingly threatens the island, a self-ruled democracy that the Chinese Communist Party claims and has vowed to one day seize.

South Korea, meanwhile, faces perennially high tensions with North Korea, which has conducted a record-breaking string of sanctions-defying rocket launches in 2023.

The EU chief also said the bloc was working to ensure Europe has access to critical raw materials used to make [consumer electronics](#), through a recently unveiled draft regulation.

German Chancellor Olaf Scholz, also speaking at the ground-breaking, said chips—that power everything from smartphones to [fighter jets](#)—were "often referred to as the petroleum of the 21st century.

"The one raw material, on which almost everything else depends."

The coronavirus pandemic has already given Europe a taste of the problems caused when semiconductor supply chains become snarled, with shortages hitting a range of industries.

Infineon's new site in Dresden is slated to open in the autumn of 2026, and to create 1,000 jobs.

German engineering group Bosch, US tech giant Intel and US chipmaker Wolfspeed have all recently announced major [semiconductor](#) investments in Germany, Europe's top economy.

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Citation: Europe must boost chip production amid Asia risks: EU chief (2023, May 2) retrieved 10 December 2023 from

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