Funded by the European Union

The European Chips Act

Policy brief

Weblink	https://digital-strategy.ec.europa.eu/en/policies/european-chips-act
Relevance	☐ National policy x EU policy ☐ other: _____
Briefing done by	Marion Perrin (hub)

Short summary of the policy

The European Chips Act bolsters Europe's competitiveness and resilience in semiconductor technologies and applications and helps achieve both the digital and green transition. It does this by strengthening Europe's technological leadership in the field. Following the approval by the Parliament and the Council, the regulation entered into force on 21 September 2023.

The European Chips Act puts in place a comprehensive set of measures to ensure the EU's security of supply, resilience and technological leadership in semiconductor technologies and applications.

Semiconductors are the essential building blocks of digital and digitalised products. From smartphones and cars, through critical applications and infrastructures for healthcare, energy, defense, communications and industrial automation, semiconductors are central to the modern digital economy. They are also at the centre of strong geostrategic interests and the global technological race.

Concretely the European Chips Act aims at strengthening manufacturing activities in the Union, stimulating the European design ecosystem, and supporting scale-up and innovation across the whole value chain. Through the European Chips Act, the European Union aims to reach its target to double its current global market share to 20% in 2030.

The Chips Act mobilises more than € 43 billion of public and private investments and sets measures to prepare, anticipate and swiftly respond to any future supply chain disruptions. This will be achieved based on three pillars of action:

- The "Chips for Europe Initiative" supports large-scale technological capacity building and innovation;
- A framework to incentivise public and private investments in manufacturing facilities ensures the security of supply and resilience of the Union's semiconductor sector;
- A coordination mechanism through the European Semiconductor Board is the key platform for coordination between the Commission, Member States and stakeholders.

Main objectives of the policy

- Strengthen Europe's research and technology leadership towards smaller and faster chips.
- Put in place a framework to increase production capacity to 20% of the global market by 2030.
- Build and reinforce capacity to innovate in the design, manufacturing and packaging of advanced chips.
- Develop an in-depth understanding of the global semiconductor supply chains.
- Address the skills shortage, attract new talent and support the emergence of a skilled workforce.

Context and relation to DIGITAL EUROPE

The Chips for Europe initiative is financed by the Digital Europe and the Horizon Europe Programme and mainly implemented by the renamed Chips Joint Undertaking (previously known as Key Digital Technologies Joint Undertaking). The Digital Europe Programme supports digital capacity building in key digital domains: this is the case where semiconductor technology underpins performance gains, notably High-Performance Computing, Artificial Intelligence, and Cybersecurity, together with skills development and the deployment of digital innovation hubs.

What parts of the Policy are directly related to specific objectives (SO) in DEP

See the policy brief on the Chips for EU initiative.

Which activities in the current DEP Work Programme contribute to meeting the objectives of the policy

See the policy brief on the Chips for EU initiative.

Please match any specific activity mentioned in the policy with concrete call topics from the current/upcoming DEP Work Programme

See the policy brief on the Chips for EU initiative.

Events

For finding related events, please check out the following online calenders: Shaping Europe's digital future, HADEA, ChipsJU