

EUROPEAN COMMISSION

PRESS RELEASE

Brussels, 23 May 2013

Commission proposes New European Industrial Strategy for Electronics – better targeted support to mobilise €100 billion in new private investments

The European Commission today launches a campaign for coordinated public investments in micro- and nano-electronics (such as semiconductors and computer chips), designed to expand Europe's advanced manufacturing base.

European Commission Vice President Neelie Kroes says "Others are aggressively investing in computer chips and Europe cannot be left behind. We have to reinforce and connect our existing strongholds and develop new strengths. A rapid and strong coordination of public investment at EU, Member State and regional level is needed to ensure that transformation."

The European electronics sector underpins Europe's wider industrial competitiveness because it is a Key Enabling Technology for other sectors, from energy to automotive to health. A growing electronics sector is essential for growth and jobs in Europe.

Neelie Kroes said: "I want to double our chip production to around 20% of global production. I want Europe to produce more chips in Europe than the United States produces domestically. It's a realistic goal if we channel our investments properly."

Key elements of this industrial strategy include

- Higher and more coordinated investments in R&D&I maximising the impact of EU and Member State investments through greater cross-border collaboration (70% of public investment is expected to come from Member States, 30% from EU).
- Reinforcing Europe's three world-class electronics clusters: Dresden (DE), Eindhoven (NL) /Leuven (BE), and Grenoble (FR) and connecting with other leading edge European clusters such as in Cambridge (UK), Carinthia (AT), Dublin (IRL) and Milan (IT).
- The strategy will focus on three complementary lines: making chips cheaper (transitioning to 450mm-sized silicon wafers, the raw material for the chips), making chips faster ("More Moore") and making chips smarter ("More than Moore").
- Mobilising €10 billion of private, regional, national and EU funds, behind a common set of research and innovation goals, including €5 billion through a joint Public-Private Partnership. This seven-year partnership is designed to cover the whole value and innovation chain in the electronics sector, including funding large-scale innovation projects, under the EU's Horizon 2020 research programme.

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Neelie Kroes added: "With this strategy European industry will be better placed to convert engineering innovations into commercially deployable technologies."

Successful implementation of this strategy will ensure:

- Greater availability of micro- and nanoelectronics to key industries in Europe.
- An expanded supply chain and eco-system, boosting opportunities for SMEs.
- Higher investment in advanced manufacturing.
- Stimulating innovation across the supply chain to lift Europe's industrial competitiveness.

The Commission's level of ambition is <u>backed by researchers and the electronics industry</u> who at the end of 2012 outlined how a total investment of €100 billion could be delivered between 2013 and 2020.

Background

Micro- and nanoelectronic components and systems are not only essential to digital products and services; they also underpin the innovation and competitiveness of all major economic sectors. Today's cars, planes, and trains are safer, more energy-efficient and comfortable thanks to their electronic parts. The same holds for large sectors like medical and health equipment, home appliances, energy networks and security systems. This is why micro- and nanoelectronics is a Key Enabling Technology (KET) and is essential for growth and jobs in the European Union.

After growth averaging 5% per year since 2000, the European electronics industry today employs 200,000 people directly and supports one million jobs indirectly; there is further unmet demand for skilled workers.

Over the past 15 years, a substantial effort has been put into building industrial and technology clusters in Europe. Given the wide range of opportunities ahead and the challenges industry is facing, it is now urgent to step up and coordinate all relevant public efforts across Europe.

All economic sectors in Europe will benefit from this strategy, as <u>at least 10% of GDP</u> depends on electronic products and services.

Useful links

MEMO/13/451 New Electronics Strategy: what's in it for the economy?

<u>Communication on "A European Strategy for Micro- and Nanoelectronic Components and Systems"</u>

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Neelie Kroes

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