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European semis make European industry competitive, says Bauer

David Manners
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The European semiconductor industry is smaller, but it is more focused and more productive, Peter Bauer, former CEO of Infineon, told this week's European Nanoelectronics Forum.

The European semiconductor industry accounts for only 5% of worldwide semiconductor manufacturing equipment sales and 10% of worldwide IC production, said Bauer.

Nonetheless the European semiconductor industry is very important in that it supplies diversified industries with differentiated ICs on which the competitiveness of those industries depend, argued Bauer.

"The European semiconductor industry serves diversified industries in a very diversified landscape," said Bauer, "and it has a big lever effect on industrial competitiveness."

"Europe doesn't address applications which demand millions or hundreds of millions of parts per product which the Asian consumer markets provide," added Bauer, "it supplies smaller volumes per product which require smart, efficient and productive manufacturing."

He pointed out that automotive ICs have to be ready four years before the launch of a car and it takes many years to make the IC.

Bauer pointed out that Europe is unique in having a complete ecosystem. "Some of the smaller scale highly diversified, highly differentiated fabs are in Europe," said Bauer, "we need cross-cutting technologies and competencies in transportation, healthcare and energy efficiency."

For this the key technologies are sensors, power electronics and logic ICs, said Bauer, adding: "We don't have to do everything but some technologies will be crucial."

"We must make sure we don't miss out on the key industries of the future," added Bauer.

He pointed out that there are limits to the niche strategy. "There's a limit to niche," said Bauer, "when you become too niche you disappear – you can't make it."

Bauer sees the European idea of geographical Clusters of competence as being crucial, and he likes Neelie Kroes' idea of the 'Airbus of Chips' as a great way forward.

Bauer described the chips Airbus as: "Not one single company but one common vision to make Europe's industry more competitive."