efca Factsheet

EU Chips Act

BACKGROUND

The EU Chips Act is a pivotal piece of legislation designed to address the growing challenges in the semiconductor industry within the European Union. It aims to accelerate the EU's independence from outside markets for semiconductors and boost the economy while ensuring a reliable supply of advanced chips for various industries. It recognises the strategic importance of semiconductors for the EU's economic growth, innovation and security. Since the COVID-19 pandemic, the semiconductor bottleneck has negatively impacted many industries, from gaming, the automobile industry, consumer goods, to the engineering sector. In order for the EU to have economic autonomy, the EU Chips Act aims to build capacity within Europe to manufacture semiconductors. The European market has its strengths in producing chip manufacturing equipment and semiconductor research, among others. While the EU currently has 10% of the current market share and is heavily dependent on third-party suppliers, it aims to have 20% of the world market by 2050, with total investments of up to €15 billion.

KEY DATES

08/02/2022	EU Chips Act proposed by the European Commission
28/07/2023	EU Chips Act adopted by the EU Parliament (2023/1781)
21/09/2023	EU Chips Act entered into force

In the short term, the EU Chips Act aims to anticipate, coordinate and prepare for future chip crises to ensure rapid response to disruptions in supply chains.

RELEVANCE FOR CONSULTING ENGINEERS

The production of microchips in Europe and the global microchip supply chain directly impact consulting engineers in Europe in terms of project timelines, costs and the availability of technology. Engineers must adapt their strategy, stay informed about industry developments, and potentially explore alternative solutions to navigate the challenges posed by fluctuations in chip supply.