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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Presentation by Silicon Saxony (agenda item 2.) at the Working Party on Competitiveness and Growth (Industry) on 13 May 2025

Delegations will find attached a presentation by Silicon Saxony, with a view to the discussion by the Working Party on Competitiveness and Growth (Industry) at its meeting on 13 May 2025.

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Observations on the EU Chips Act

Frank Bösenberg

Silicon Europe

YOUR CONNECTION TO INNOVATIVE
EUROPEAN SMES!



Content



- Introduction Silicon Europe
- 7 observations on the EU Chips Act
 - Triggered Investments materialize more often than not in established clusters
 - Research landscape broader, reflects strengths in the EU
 - Lack of EU strategy – and strategy existence/alignment on MS level
 - Top down + level up -> Eurostack and application industries
 - More with less? International competition
 - SME participation in R&D and Investments
 - Technology sovereignty – Chips = Chips?

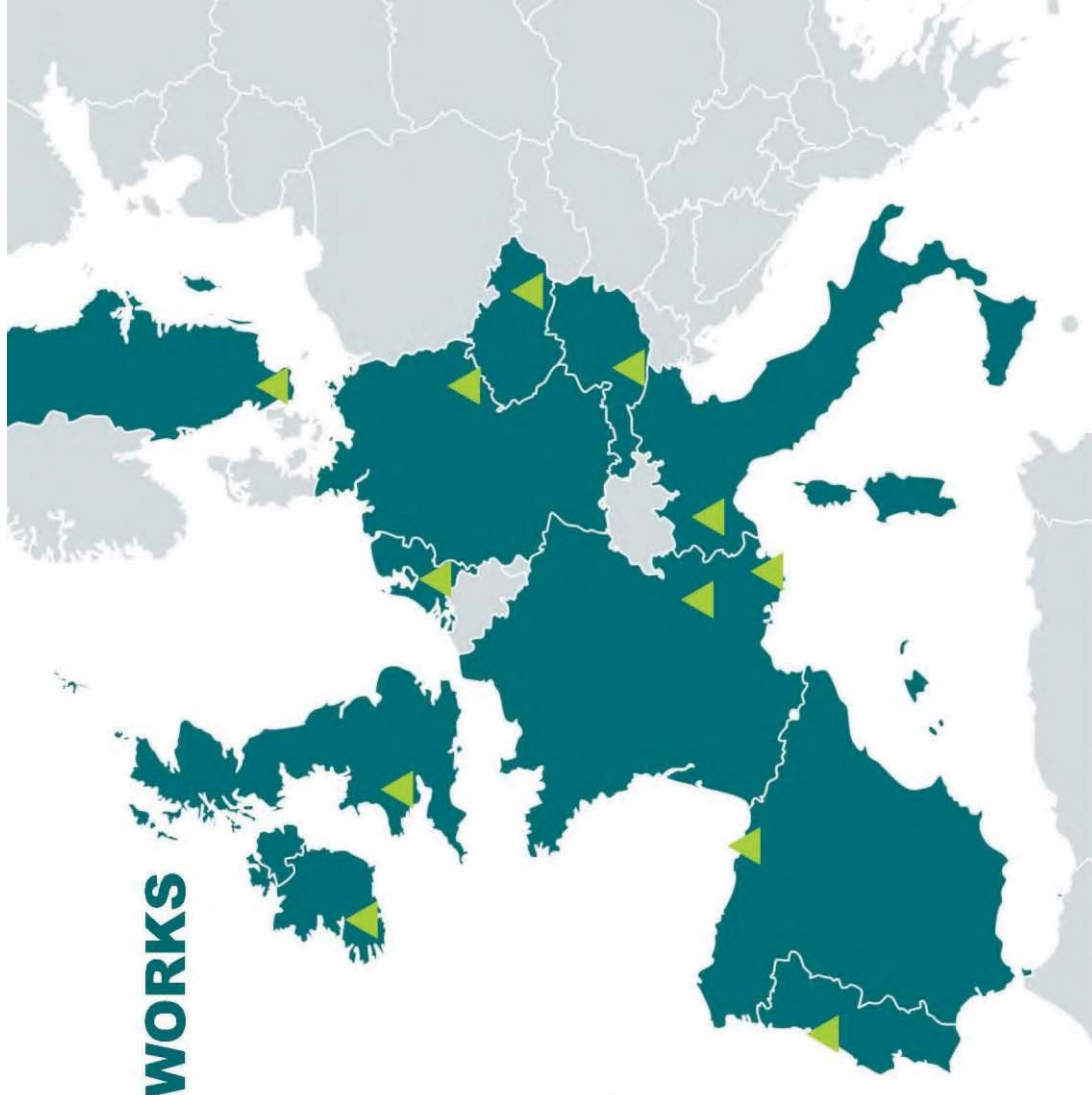
○ Conclusions



SILICON EUROPE ALLIANCE TWELVE HIGH-TECH NETWORKS

AKTANTIS, **FR**
CSconnected, **UK**
Czech National
Semiconductor
Cluster, **CZ**
GAIA, **ES**
High Tech NL, **NL**
Mesap, **IT**

Midas, **IRL**
Minalogic, **FR**
OpenTech, **SE**
Silicon Alps, **AT**
Silicon Saxony, **DE**
TICE.PT, **PT**



SILICON EUROPE ALLIANCE VOICE FOR THE SME



The strength of clusters (IPCEI)

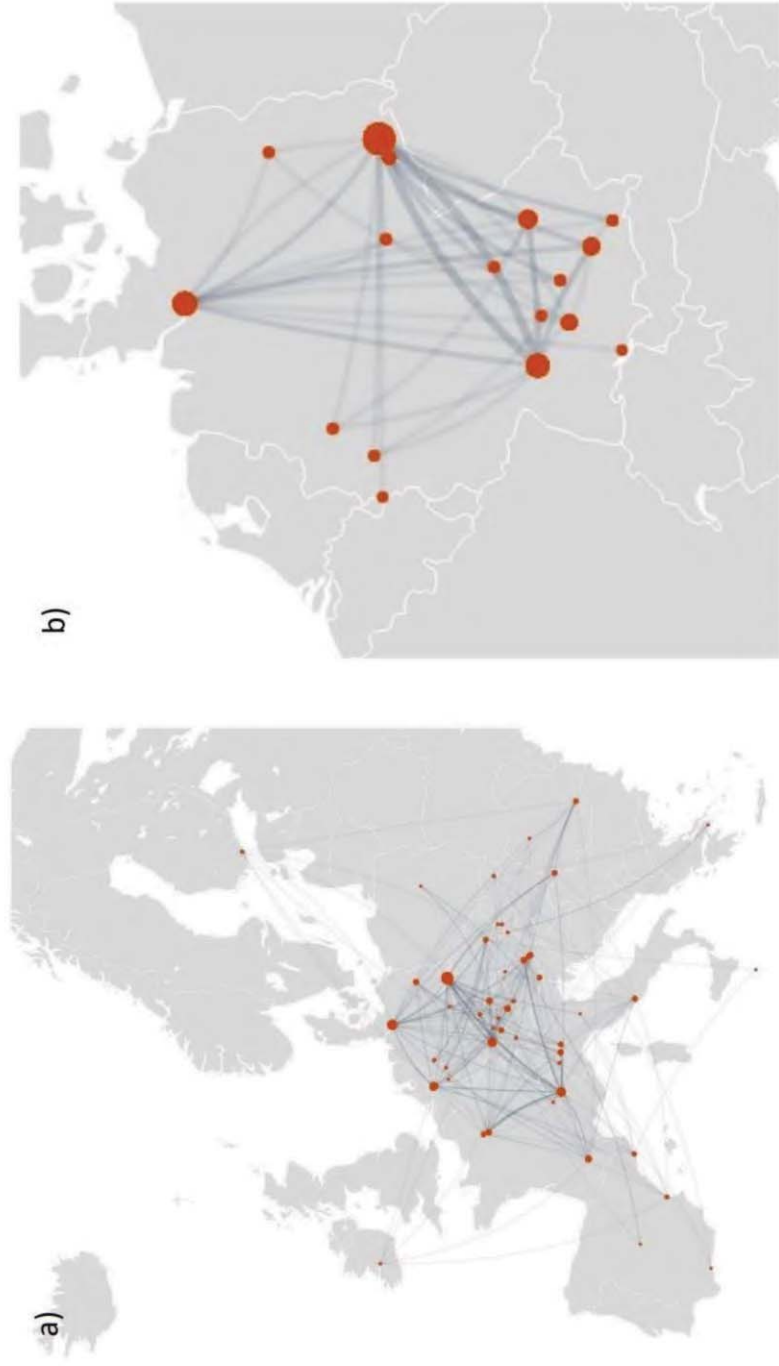
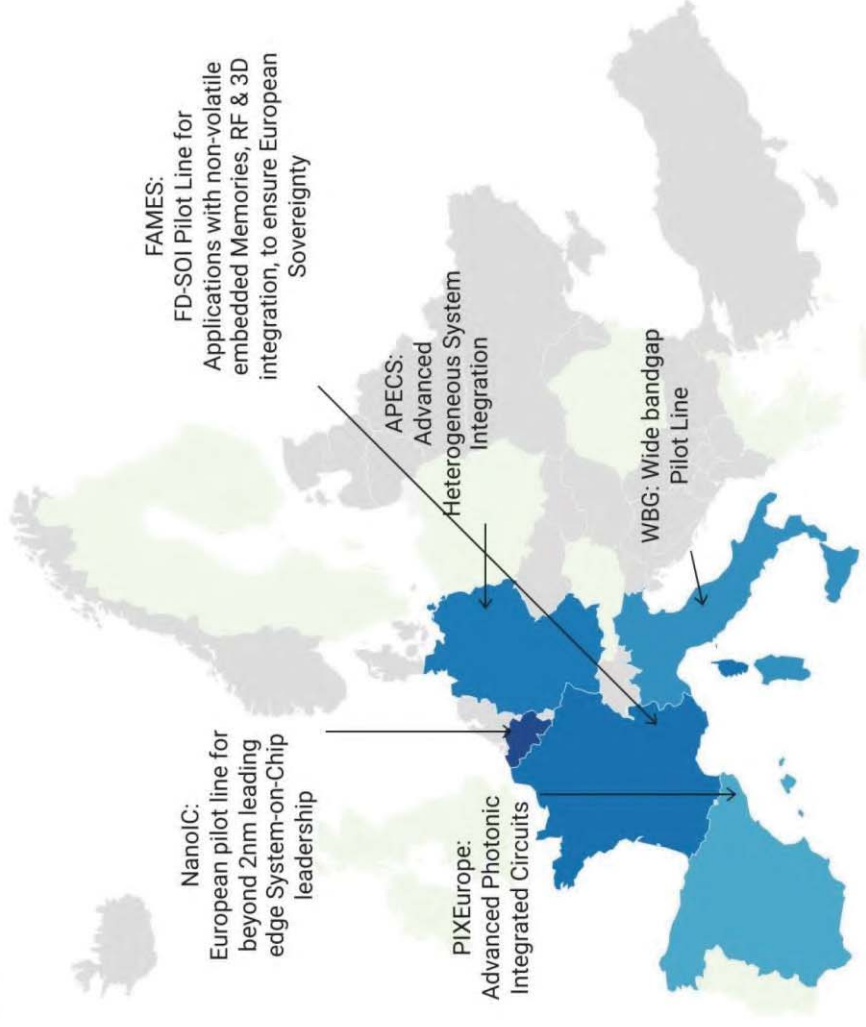


Abbildung 4: Kooperationen zwischen direkten IPCEI Partnern mit deutscher Beteiligung auf a) EU- und b) nationaler Ebene.

Chips JU Pilot Lines

Countries coordinating (blue) and participating (light green) in the first 5 selected CHIPS JU Pilot lines



Map: Frank Bösenberg / Silicon Saxony • Source: ChipsJU • Created with Datawrapper

R&D

- Locations of EIC accelerator projects

HORIZON-EIC-2023-ACCELERATORCHALLENGES-05 - EIC Accelerator Challenge: Emerging semiconductor or quantum technology components

Location of coordinating organisations of the 11 selected projects





Objectives and proposals

The EU must de-risk its strategic dependencies and improve its capabilities in semiconductors, focusing on supply chain segments where it has or can develop a competitive advantage. The EU should aim to:

- Boost R&D in selected mainstream and innovative product segments, like larger nodes (sensors, power controls, etc.), where the EU is already present.
- Develop a sovereign position in design and manufacturing processes, incentivising technology transfer only for newer manufacturing technologies.
- Strengthen EU companies of demonstrated excellence in selected semiconductor equipment and materials, defending their export ambitions and expanding their addressable markets.

FIGURE 12

SUMMARY TABLE SEMICONDUCTOR PROPOSALS: A REVISED EU CHIPS ACT		TIME HORIZON ¹⁹
1	Enable the development of a new EU Semiconductor Strategy, by establishing an EU semiconductor budget, coordinating demand requirements, introducing EU preferences in procurement and a new 'fast-track' IPCEI	ST/MT

8

Status quo



PERSPECTIVE

The Missing Strategy in Europe's Chip Ambitions Member States Must Drive the Next Steps

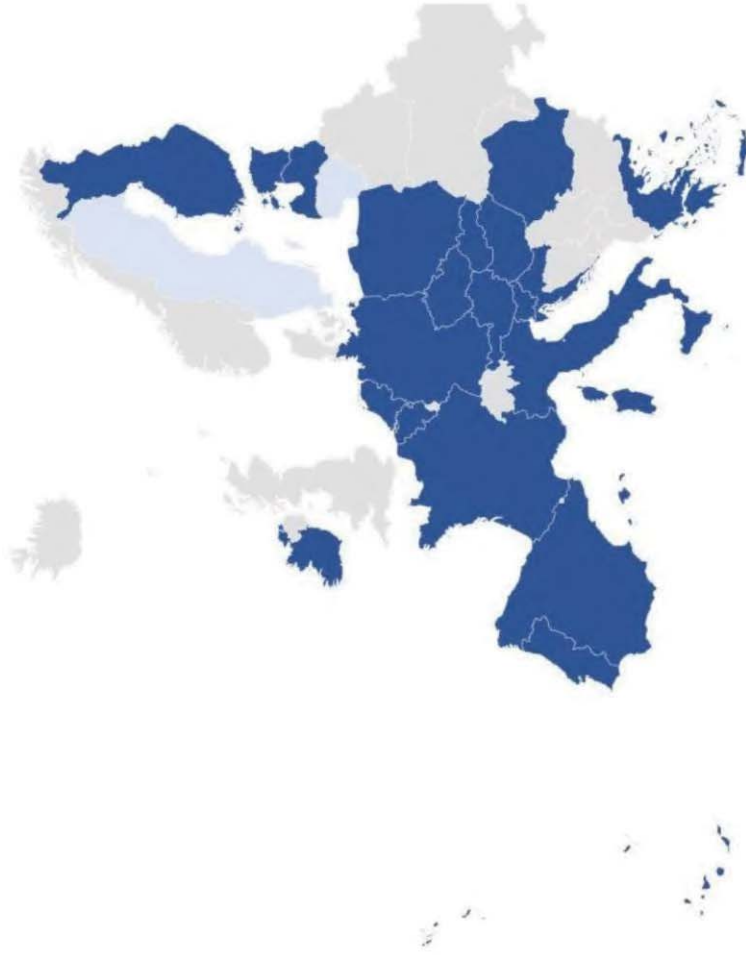
[Interface \(formerly SNV\) : The Missing Strategy in Europe's Chip Ambitions](#)

Because the EU Chips Act fails to provide a long-term strategy with clear policy objectives, EU member states must take proactive steps to fill this gap. This includes obtaining a detailed understanding of their semiconductor ecosystems, setting clear long-term objectives, and developing the required administrative expertise to engage effectively at the level of the EU and vis-à-vis the United States.

Joint declaration on processors and semiconductor technologies



December 2020
22 member states



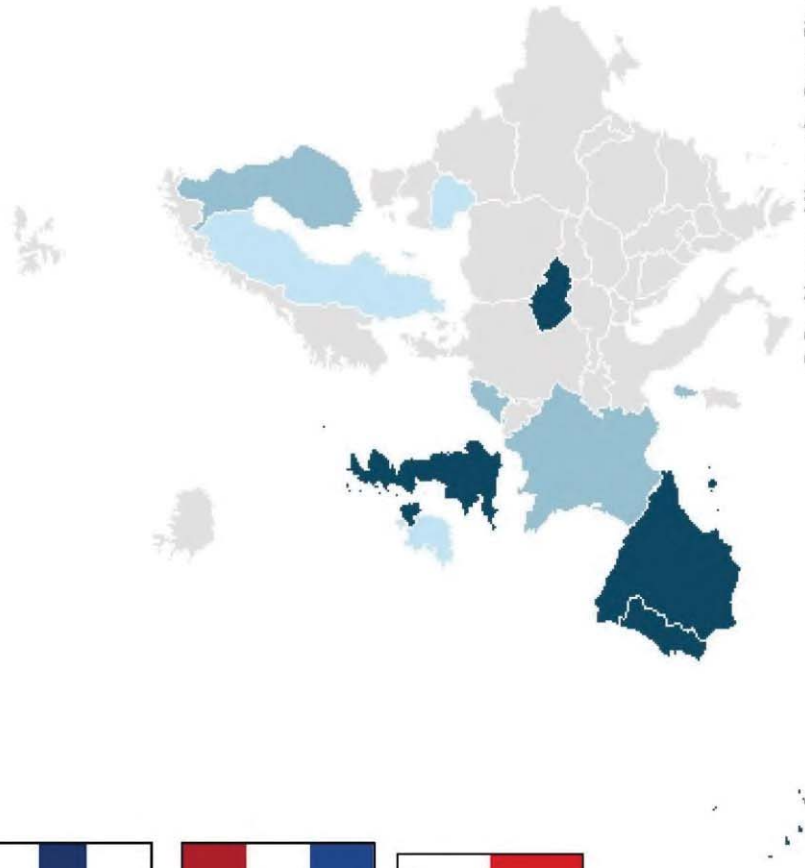
The signing Member States agree to:

1. *Cooperate and engage in efforts to co-invest in semiconductor technologies across the full value chain and to this end:*

- Mobilize industrial stakeholders through a future industrial alliance to establish strategic roadmaps and research and investment plans for processor design, deployment and fabrication that takes into account the full semiconductor ecosystem;
- Address common challenges through various funding mechanisms, including where feasible through the national Recovery and Resilience plans, contributing to a substantial increase in the production capability in Europe of semiconductors and embedded systems across the value chain, and processor chips with significant improvements in energy performance and speed by 2025;

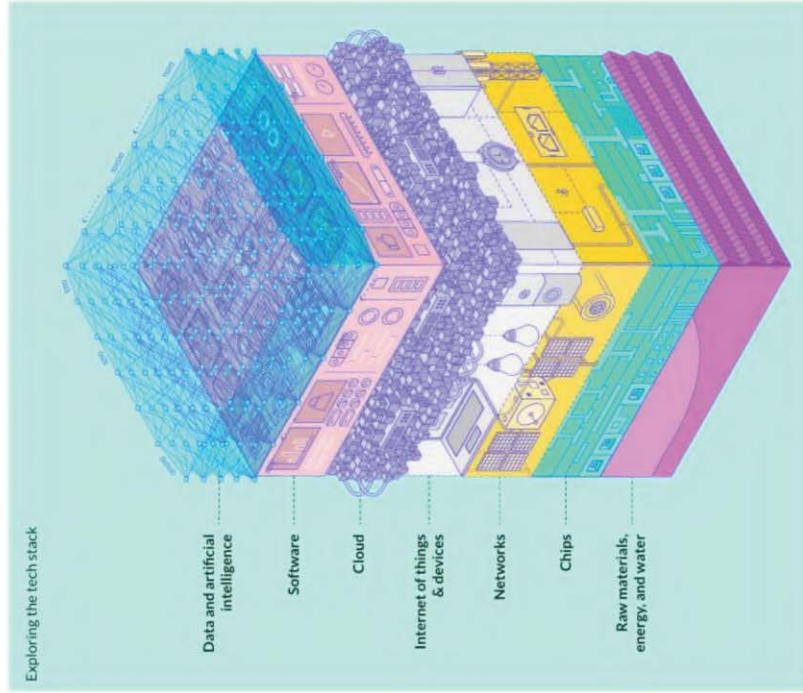
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Overview on national strategies



Unterstützt von Bing
GeoNames Microsoft OpenStreetMap TomTom

Political economy of digital sovereignty

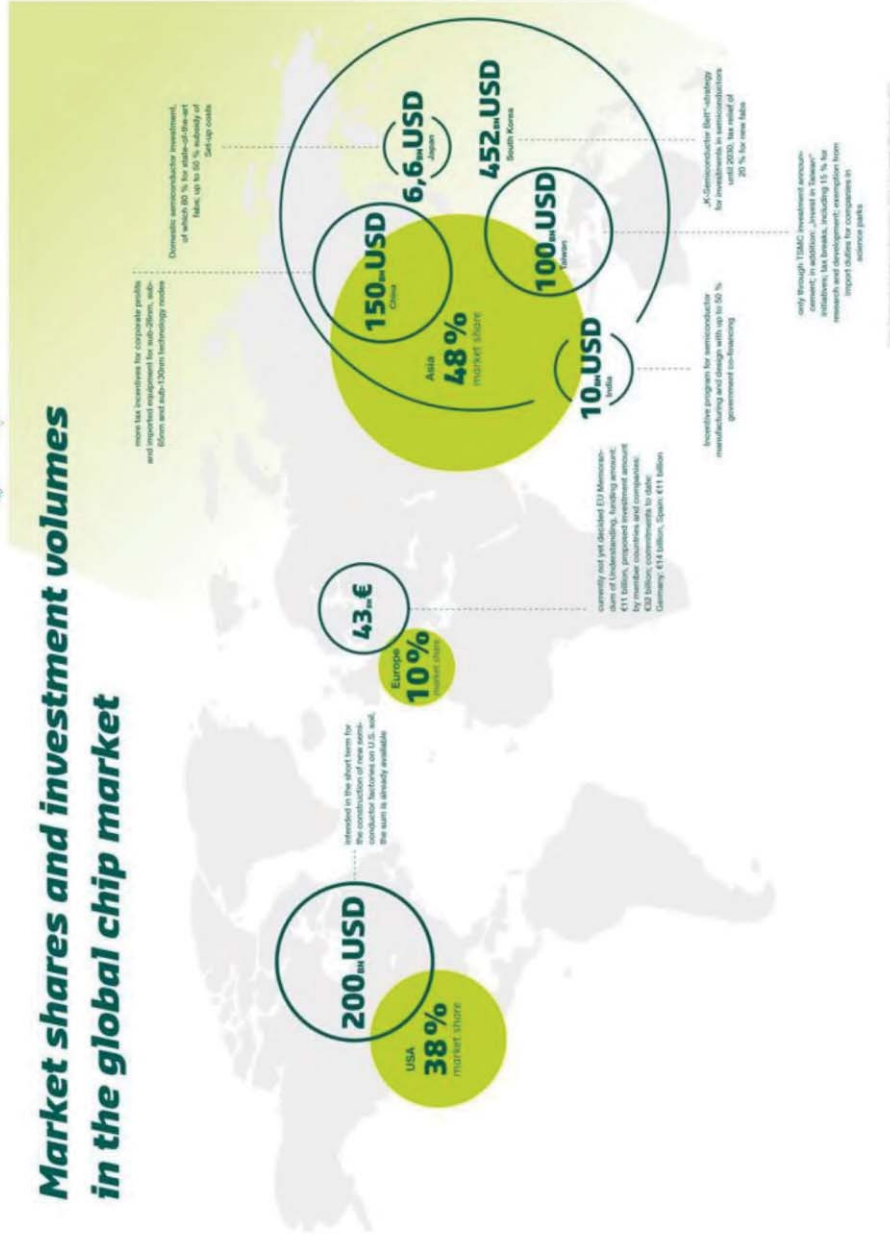


	KEY COUNTRIES		KEY FIRMS
Data and artificial intelligence	US	China	OpenAI, Microsoft, Google, Meta, Anthropic, XAI, Amazon, Baidu, Tencent, Alibaba, DeepSeek
Software	US	China	Microsoft, Apple, Alphabet, Meta, Amazon, Salesforce, SAP, ByteDance, Tencent
Cloud	US	China	Amazon, Microsoft, Alphabet, Alibaba
Internet of things & devices	US	China	Amazon, Google, Apple, Samsung, Huawei, Bosch, Siemens, Xiaomi
Networks	US	China	Huawei, Nokia, Ericsson, ZTE, SpaceX, NEC
Chips	Taiwan	Korea	TSMC, Samsung, Intel, NVIDIA, AMD, ASML
Raw materials, energy, and water	US	China	Chinese government (through SOEs e.g. China Rare Earth Group), ExxonMobil, Gazprom
		Russia	
		Netherlands	
		US	
		Europe	
		Germany	
		Japan	

More with less?



Market shares and investment volumes in the global chip market



Chips = Chips? No!

- Different market segments
- In some of them – 0 EU players

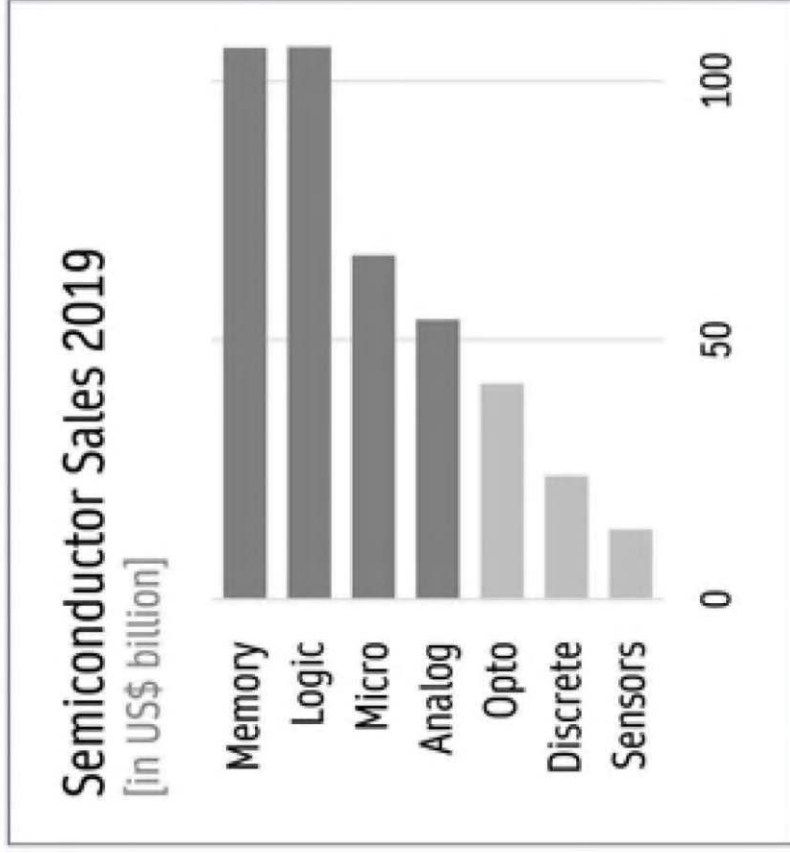


Figure 1



Conclusions



- EU Chips Act 2.0 -> based on aligned EU strategy incl. International cooperation
 - Chip market will continue to grow – danger of being outinvested, in particular wrt China
 - Consideration of EU SMEs -> less bureaucracy, but regional supply chains
 - Consideration of demand side -> good example defence, room for improvement at AI and telco
 - Check entire value chain when discussing sovereignty (e.g. raw materials) -> choke points
 - Make or buy -> international cooperation required!
-
- „There is no digital without chips“ -> There is (almost) nothing without chips!
 - Investments into semiconductor industry pay off!



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