KDT JU to become Chips Joint Undertaking: European billions to help ensuring the digital sovereignty of the European Union.

Today, the EC proposed the European Chips Act with the aim of jointly creating a state-of-the-art European chip ecosystem from production to security of supply, so developing a new arena for ground-breaking European technologies, while remaining true to the policy objectives for digital transformation and the Green Deal.

A total of more than €43 billion of policy-driven investment will support the European Chips Act until 2030, which will be broadly matched by long-term private investment. It comprises a Communication, a Regulation, a Recommendation and, important for KDT JU, an amendment to the Single Basic Act that established several Joint Undertakings in November 2021.

Just a few months ago, public and private stakeholders set up the Key Digital Technologies Joint Undertaking. Today the European Chips Act gives a legal framework for a new public-private partnership – the “Chips Joint Undertaking” - building on the existing KDT JU and with an even more ambitious scope and a much more significant budget: the EU contribution is proposed to be increased from € 1.8 billion up to € 4.175 billion.

"By 2030, 20% of the world's microchips production should be in Europe," Ursula von der Leyen, President of the European Commission, said. "Keep in mind that the world's production itself is expected to double. This means quadrupling today's European production".

“We are extremely delighted and proud that the EU Institutions have recognised the key role of our current programme to strengthen research and innovation capacity in Europe”, Bert de Colvenaer, Executive Director of KDT JU said. “We have already proven to be an extremely efficient mechanism to support high-class research and innovation with a clear view of the market needs in the electronic components and systems field. We are now ready to adapt our programme to new priorities and contribute to assuring European leadership in design and manufacturing”.

“The long experience gained in the past by running tripartite joint undertakings allows us - better than other similar entities - to establish an extremely fruitful cooperation with Participating States, European Commission and Industry”, Doris Vierbauch, Chair of the Public Authorities Board of KDT JU stated. “Such successes will help us to quickly shape the new Chips JU and ensure the engagement of the Participating States, who are already used to such deep collaboration”.

“From production to security of supply, European Industry will develop an improved ability to anticipate and respond to shortages in the electronic components and systems sector” declared Ralf Bornefeld, Chair of the GB of KDT JU.
Of course, the new high-capacity chip production plants in Europe shall be able to produce energy-efficient and technologically advanced semiconductors (from five to two nanometres and below), also via the contribution of innovative SMEs, alongside the strength Europe has in supportive chips using existing technologies, for example in power electronics.

A new era of strategic industrial investments has started with the setting up of a new European Semiconductor Fund, which would complement existing financing opportunities at the EU and national levels, as well as the Important Projects of Common European Interest (IPCEI).

The EU is back in one of the most important global races, which is not only technological.

About KDT Joint Undertaking:

The “Key Digital Technologies JU” (KDT-JU) is a Joint Undertaking established in 2021 by the European Union Council Regulation No 2021/2085, as successor to the ECSEL JU, which came into force on 30th November 2021. It is a public-private partnership that will engage, for 2021 to 2027, up to EUR 1.8 billion funding from the European Union’s Horizon Europe research and innovation programme, combining it with a commensurate amount of national/regional funding and participants’ own contributions. The KDT partnership, comprising the European Commission, on behalf of the European Union, Participating States and 3 European Industry Associations (Aeneas, Inside and EPoSS) will support the digital transformation of all economic and societal sectors, make the transformation work for Europe and support the Green Deal.

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