PRESS RELEASE

Key Digital Technologies Joint Undertaking strengthened as Chips Joint Undertaking

Brussels, 22 September 2023 – Yesterday, the European Chips Act and the amendment to the Regulation establishing the Joint Undertakings under Horizon Europe entered into force, paving the way for strategic developments in the chip technology sector. One significant outcome of these changes is the expansion and renaming of the Key Digital Technologies Joint Undertaking (KDT JU), which will now be known as the Chips Joint Undertaking (Chips JU).

“With the entry into force of the European Chips Act, Europe takes a decisive step forward in determining its own destiny. Investment is already happening, coupled with considerable public funding and a robust regulatory framework. We are becoming an industrial powerhouse in the markets of the future – capable of supplying ourselves and the world with both mature and advanced semiconductors. Semiconductors that are essential building blocks of the technologies that will shape our future, our industry, and our defence base,” stated Thierry Breton, Commissioner for Internal Market.

A key pillar of the European Chips Act is the “Chips for Europe Initiative” which aims to enhance technological capacity and innovation in state-of-the-art chips on a large scale. The Chips for Europe Initiative will pool resources from the European Union, its Member States, third countries associated with Union programmes, and private sector stakeholders. Most of this Initiative will be facilitated through the Chips JU which will also continue the research and innovation activities of the KDT JU.

The new partnership will be powered by an augmented budget: the EU contribution will be increased from €1.8 billion up to €4.175 billion, with a grand total budget of nearly €11 billion, including other private and public contributions. "The new Chips JU has been tasked with executing an extraordinarily ambitious programme, and we are deeply honoured and proud to oversee this leading European strategic initiative focused on coordinated and competitive innovation activities in the field of electronic components and systems," said Yves Gigase, acting Executive Director of the Joint Undertaking.

The European Chips Act represents a major political milestone, in response to the surging demand for semiconductor technology. "Recent semiconductor shortages have underscored Europe’s dependency on a limited number of non-EU suppliers. National Public Authorities are now partnering with the European Commission and Industry to execute an ambitious yet strategically designed programme. This programme seeks to bolster manufacturing activities within the European Union, foster the growth of the European design ecosystem, and support the scaling up and innovation across the entire value chain," emphasized Kari Leino, Chair of the Public Authorities Board of the JU.

“We are looking forward to continuing our great collaboration in the Chips JU and we are welcoming the planned investments in research, innovation and capacity building activities for leading edge electronic components and systems, designed and made in Europe. The Chips JU will strongly support our industries’ needs to become more resilient and sustainable in Europe," commented representatives of the AENEAS, EPoSS and INSIDE Industry Associations.
The rebranded Chips JU emerges as a central force within the framework of the European Chips Act, aligning seamlessly with Europe’s journey towards digital sovereignty and global leadership in the semiconductor industry. It exemplifies the European Union’s determination to invest in its future and lays the foundation for ground-breaking innovations in the field of digital technologies. “From research to production and security of supply, European Industry will develop an improved ability toanticipate and respond to shortages in the electronic components and systems sector,” declared Ralf Bornefeld, Chair of the Governing Board of the JU.

For more information on the European Chips Act and the amendment to the Regulation establishing the Joint Undertakings under Horizon Europe, please refer to the official source documents: Regulation (EU) 2023/1781 and Regulation (EU) 2023/1782, respectively.

About Chips Joint Undertaking:

Chips Joint Undertaking supports research, development, innovation, and future manufacturing capacities in the European semiconductor ecosystem. Launched by the European Union Council Regulation No 2021/1085 and amended in September 2023 as part of the Chips for Europe Initiative, it confronts semiconductor shortages and strengthens Europe’s digital autonomy, engaging a significant EU, national/regional and private industry funding of nearly €11 billion.

Editor’s contact: Luciano.Gaudio@kdt-ju.europa.eu