Dear Prime Minister,

We, the undersigned, are asking you to prepare and publish a UK Semiconductor Strategy as a matter of urgency.

The UK is an undisputed world leader in tech and innovation – and you have rightly supported this industry wholeheartedly. You have also demonstrated a willingness to safeguard and develop the British semiconductor industry.

Semiconductors are the vital components that power our everyday lives. Britain has traditionally been a world leader in the field, home to world leading chip design companies and leaders in the compound semiconductor segment.

However, the industry needs a coordinated and comprehensive Semiconductor Strategy. The technology and manufacturing sectors have been waiting more than two years for the promised strategy, and confidence in the Government’s ability to address this industry’s vital importance is steadily declining with each month of inaction.

The global chip shortage - exacerbated by the crippled supply chains during the pandemic - has had an adverse impact across multiple sectors of the economy. Against a backdrop of record inflation, this impact has increased consumer goods prices even further - from automotives to appliances.

Britain’s status as a leading tech ecosystem is at risk. While the US, the EU and China acted swiftly to create plans and invest heavily in silicon, research and construction of chip fabrication plants, the UK is yet to make meaningful progress. The Biden Administration touts its recent passage of the CHIPS Act as evidence of American leadership on semiconductors. The EU has passed a €43 billion Chips Act to increase its share of global semiconductor production. India is also pressing ahead with construction projects of major semiconductor production plants.

This is not just an issue for the technology sector - the issue bears relevance to geopolitical affairs, too. Taiwan produces more than 90% of the world’s advanced chips and has commanded significant influence as the most prodigious manufacturer of semiconductors. Given this nation is at the centre of tensions between China and the West, it is paramount that global dependence on Taiwan is addressed. Many other nations are doing just that.

The importance of this industry requires clarity and strategic direction. The strategy should address the following:

1. Foster the UK’s strengths in design innovation and research by prioritising R&D investment. This will push forward increasingly complex industry developments and allow the UK to maintain an edge in semiconductor innovation.
2. Acknowledge the importance of supporting UK-based assets while also partnering with strategic allies to attract inward investment to ultimately support supply chain resilience.

3. Support the sector with a comprehensive plan to introduce open access foundries so that startups and scaleups in the UK can be supported in accessing their chip design and manufacturing needs.

4. Support jobs and skills to grow the UK’s domestic industry and make it easier for tech talent to move to and work in the UK to address the current skills gap.

You have outlined an encouraging vision for the future of the UK economy grounded in innovation, with emphasis on the UK tech sector becoming ‘the next Silicon Valley.’ To put that vision into action, we as an industry need the government to provide strategic direction that answers the most pressing issues facing the sector – and in turn, the issues facing our economy.

We ask you to continue to stand up for the UK semiconductor sector with a strategy encompassing the points above.

We know the government is committed to cultivating the growth of the UK’s world leading tech sector and sustaining our reputation and expertise in the semiconductor industry. This is an opportunity to support the enormous growth potential of this industry alongside the other world-leading tech ecosystems.

Yours sincerely,

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