

## Semiconductors, crucial for the development of the 5G industry

- The National 5G Observatory's '5G Connected' event has brought different specialists together to discuss the important role of semiconductors in the 5G supply chain
- Increasing demand for chips and their geostrategic importance are forcing governments and companies to reappraise their models of development, supply and business

**Madrid, 15 April 2021-** Semiconductors are crucial for the evolution of 5G. This is one of the many conclusions reached at the [5G Connected event](#) of the [National 5G Observatory](#) that was held online this morning. The event provided a meeting point from which to look at the specifics of the semiconductor industry from different perspectives. It was attended by **Federico Ruiz**, Head of the National 5G Observatory; **Eduard Martin**, CIO and 5G Director of Mobile World Capital Barcelona; **Norberto Mateos**, General Director of Intel Spain; and **Eloy Fustero**, former Director of Qualcomm Spain. The event was chaired by the journalist **Pilar Bernat**.



Growing global demand for semiconductors points to their essential role as an enabling technology in all sectors and particularly in smart connectivity. Eloy Fustero stated that “it is important to understand the value chain because this is not just a problem that affects smartphones, but also one that influences other sectors such as the automotive industry”. These types of devices have a direct impact on personal connectivity, consumer electronics, the development of Artificial Intelligence, security and industrial activity

“We need ever more processors, which have more functions and an extremely high performance. This is forcing us to reappraise production and business models”, Eduard Martín added. The four speakers all agreed on how important it is to continue developing increasingly advanced manufacturing technologies. Norberto Mateos gave the example of Intel, which remains committed to manufacturing its own chips and is opening a line of business for the manufacture of semiconductors for third parties that could yield an opportunity worth 100,000

million dollars. Mateos added that “Until recently, general purpose processors met most of our needs but now the appearance of technologies such as artificial intelligence has increased the need for processors with functions adapted to an increasingly complex and diverse ecosystem”.

Federico Ruiz stated that “nothing is possible without semiconductors: neither mobiles nor 5G networks. They are not, however, just components but rather a key link in the exchange and development of Intellectual Property upon which the economy of platforms is based”. This new order is forcing global companies like Apple to manufacture its own processors, so they can stand out from the competition. Developing multiple applications and unleashing the full potential of 5G requires a supply of these new types of semiconductors. According to Eduard Martín, high demand will prompt a response on the market. New agents will appear and the industry will become more competitive.

The speakers also stressed the urgent need for Europe to occupy a favourable position on the semiconductor market. According to Eduard Martin, “we are on to this and it needs to work. If we want ICT to be strategic in Spain, we need to be committed to that and to urge Europe to be better positioned in this area”. The four speakers agreed on the need to work to bolster Europe’s position in a very dense and complex value chain.