

Government must back UK semiconductor industry, says CEO of firm behind 125-jobs plan for North East

The Government must show commitment to UK semiconductor companies says the boss of an innovative firm under way with £68m plans to bring a chip factory to the North East.

Scott White, CEO of manufacturer Pragmatic Semiconductor, said the industry needs “a clear strategy and support” if it is to solve supply chain security issues and allow other sectors to reap the benefits of its world-leading technology. His call comes as the chair of the Business, Energy and Industrial Strategy (BEIS) Committee said further delay on a semiconductor strategy would be an “act of national self-harm”.

Last month the Government sent a response to the committee’s “stock take” of the country’s semiconductor industry, which was published in November and called for better co-operation with allies to safeguard supply and to secure inward investment.

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In it, the Department for Digital, Culture, Media & Sport said it intended to publish a UK semiconductor strategy “as soon as possible” but committee chair Darren Jones said the Government was hiding behind its failure to publish the strategy.

Semiconductors, or chips, are used in thousands of products from vehicles to medical equipment and have been in short supply globally due to a number of factors including the

massive disruption of Covid.

Pragmatic Semiconductor specialises in flexible chips that are thinner than a human hair and can easily be used in packaging to solve logistics challenges. The firm is converting the former Wavin pipeworks site at Meadowfield, County Durham, into a [new factory](#) – or “fab” – that will support 125 jobs and aims to attract other industry-affiliated suppliers and start-ups to locate nearby.

Following the BEIS Committee’s comments, Pragmatic’s CEO Scott White said: “The British semiconductor industry needs a clear strategy and support from the Government that focuses on semiconductor sectors where the UK can grow sustainably, but critically this must include manufacturing.

“Whilst the development of manufacturing processes for silicon chips may be valuable, it is essential that support is also provided for alternative semiconductor materials where the UK has a strong track record of innovation and competitive differentiation. Domestic manufacturing of non-silicon chips, such as flexible thin film semiconductors, is more cost effective and economically scalable than pouring billions into building new silicon fabs.

“These more sustainable alternatives to silicon can help solve issues around supply chain security, as well as fuelling industry growth in new application areas such as healthcare, smart packaging and the circular economy.

“The Government needs to show its commitment to UK semiconductor companies through significant public sector procurement or policy initiatives that create meaningful home-grown revenue opportunities, and appropriate incentives for capital expenditure on high-value manufacturing to level the international playing field. This would enable UK businesses and public organisations like the NHS to reap the benefits of the world-leading technology already on offer here in

Britain.”

BEIS Committee chair Darren Jones said: “Countries across the globe have grasped the importance of securing semiconductor supply chains for their futures, why haven’t we? While others race ahead, ploughing billions into setting up fabs or industry support, we’re not even at the starting line.

“Two-years in the making but still no strategy. Further delay would be an act of national self-harm. With 40 days until the budget, the strategy must be published urgently so that sufficient funds can be put behind it and used effectively.”

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