
PRESS RELEASE

Industry leader reactions: The European Semiconductor Association (ESIA) applauds the final Report of the High Level Expert Group on Key Enabling Technologies (KETs)¹ - and urges for its swift implementation.

Brussels, June 30, 2011 - Semiconductor industry leaders across the value chain discuss and react to the KETs final report².

Over the past year a select group of European industrialists engaged in a strategic planning process with government representatives from key EU Member States and several Directorates General of the European Commission to define a competitive framework to facilitate the success of these crucial key enabling technologies in the EU. The high level group was chaired by Jean Therme, CEO of the French research organisation CEA. Central to these discussions were the role KETs can play in tackling Europe's grand societal challenges such as energy efficiency or ageing population, as well as the global competitive positioning of KETs in Europe. This process led to a final report which delivers concrete and far-reaching recommendations for the advancement of KETs in Europe. The recommendations span the entire value chain from the generation of ideas to their commercialisation, and cover the areas of *technological research*, *product development* and *globally competitive manufacturing*.

The reaction of **Carlo Bozotti** - ESIA's President and President and CEO of STMicroelectronics - Europe's largest chip maker - to the final KETs report was: *"With this report we are seeing the emergence of a comprehensive and practical blueprint of a European industrial innovation and manufacturing policy for key enabling technologies. This definitely has the potential of boosting innovation in Europe and ensuring that key enabling technologies like microelectronics can fully fulfil their enabling role in and for Europe for the benefit of strategic industries such as automotive, healthcare, industrial, telecom or energy management and saving."*

In the area of product development, the report shows that Europe devotes far more resources to fundamental research than other competitor regions and however is not competitive when it comes to supporting more product-based research. No wonder good European ideas are often successfully exploited elsewhere. Says CEO of Infineon Technologies **Peter Bauer**: *"A change is well-overdue here. The ability to be more globally competitive regarding the installation of pilot and demonstration lines in Europe would be one direct consequence if the recommendations are implemented."*

¹ This EU initiative was initially launched in September 2009, with the aim to deliver policy recommendations to promote the industrial deployment of KETs. *"KETs are of systemic relevance as they enable the development of new goods and services and the restructuring of industrial processes needed to modernise EU industry and secure the research, development and innovation base in Europe."* The high-level expert group has been working on developing a longer term strategy / action plan for the identified KETs: Micro/Nanoelectronics, Nanotechnology, Advanced Materials, Biotechnology, Photonics & Advanced Manufacturing systems.

² See Commission press statement 28.6.2011 under:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/796&format=HTML&aged=0&language=en&guiLanguage=en>

In addition the report contains recommendations to enhance competitive manufacturing, including the introduction of a matching clause designed to attract investment in production in and into Europe, or adapting EU state aid provisions to the realities of industries competing in highly globalized economies. These recommendations are also supported by Intel VP and Intel Ireland's General Manager **Eamonn Sinnott** and the CEO of one of Europe's leading material and renewable energy system supplier companies André-Jacques **Auberton-Hervé** of Soitec: Says Sinnott: *"We support the report's recommendations to create a global level playing field for advanced manufacturing in Europe, with particular emphasis on the crucial contributions of the semiconductor industry. It is imperative that we retain and attract new investments in advanced manufacturing in order to sustain and grow this capability."* Auberton-Hervé states: *"One of Europe's strengths is the successful cooperation between suppliers and chip makers. The report recognizes the strategic importance of the value chain from raw materials to final products and the recommendations aim at enhancing European competitiveness through its value chain in a mutually beneficial way."*

The recommendations to enhance technological research call for new integrated R&D programmes 'from the lab to the pilot line' for KETs. They also include a greater focus on ensuring the inclusion of the entire value chain in R&D programmes and a coordinated approach to validate new technologies and take them up to prototype production. *"Integrated programmes to guide technological research via technology validation to pilot lines and demonstrators in the field of KETs are certainly needed. They would be an innovation for Europe in their own right"*, says **Professor Hans-Jörg Bullinger**, President of Fraunhofer Gesellschaft, Europe's largest organisation for applied research and technology development.

The discussions and reactions above reflected the enthusiastic response to the recommendations coming out of the report from the semiconductor industrial leaders who were all members of the high level group. At the same time there was also the realization that the High Level Expert Group's Final Report is a vital milestone but not the end result. They and ESIA remain committed to continue to support this strategic initiative and therefore now urge EU decision-makers to ensure its speedy implementation.

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ABOUT ESIA:

The Mission of the European Semiconductor Industry Association (EECA-ESIA) is to represent, promote and defend the vital interests of the European-based semiconductor industry and ensure its competitiveness in the global market. The semiconductor industry provides the key enabling technologies at the forefront of the development of the Information Society This sector supports over 110,000 direct jobs and up to 500,000 induced jobs in Europe, operating in a worldwide market valued at at \$298bn (Europe \$38bn) in 2010. With membership covering companies, national sector associations and research institutes, ESIA is the voice of the semiconductor industry in Europe.

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