

EUROPE'S MICROCHIP INDUSTRY LOOKS AHEAD AGAIN - AND CALLS ON EU DECISION-MAKERS TO SEIZE THE ECONOMIC & POLITICAL MOMENTUM.

THE ECONOMIC MOMENTUM:

Following a hammering 22% decline (worldwide only 9%) in 2009, Europe's semiconductor (microchip) market is catching up on the economic recovery, according to the latest market forecast of the WSTS (World Semiconductor Trade Statistics). Expected to grow at 28%, it can keep pace with the worldwide semiconductor market growth forecast in 2010, and can look at two further growth years until 2013.

Fuelled by the upturn, the unit sales for the global semiconductor industry are expected to reach a record 15bn ICs (integrated circuits) per month in 2010 - showing that this industry will continue to provide the fundamental building blocks to accelerate innovation all over the world in applications as seemingly far apart as advanced computers, mobile phones and car braking systems.

However, for Europe itself the challenges remain: Over the last decade, Europe has seen a gradual semiconductor market decline compared to other regions. This trend is expected to continue in 2010 with Europe's share of the worldwide market reaching 13% (from 18% in 2004). Furthermore, the share of global semiconductor production in Europe has seen a further decrease from 12.5% in 2004 to 9.6% in 2009.

"This is no time to rest on forecast laurels" says ESIA President Peter Bauer: "...the declining share of Europe in the worldwide development and production of semiconductors contrasts with their increasing importance. Semiconductors are the raw material for innovation for crucial European lead industries, driving innovation solutions in energy efficiency, transportation, medical and communication. The EU relies on semiconductors for their growing industries and employment. Therefore, we welcome and support the EU Commission's initiatives to improve the current policies on key enabling technologies."

THE POLITICAL MOMENTUM:

On the background of these trends, the European Commission is paying fresh attention to the developments of the semiconductor sector as one of five key enabling technologies that have been identified as strategically important for Europe's development. The Commission communicated this policy in September 2009 and combined it in early 2010 with the so-called 'flagships' of the 2020 Strategy. These initiatives are now coming together with the kick-off meeting of the *High Level Group on Key Enabling Technologies*, due to start its work on July 13. With the backing of several Commissioners, the European Parliament and key Member States, it is expected to propose some of the answers needed to speed up European semiconductor market and production, enhance its innovative capabilities in design, engineering and manufacturing technologies and make strides towards a more equal global level playing field.

"The High Level Group has to seize the current economic and political momentum... its members are now centre-stage to change the good words into concrete deeds. ESIA will support the High Level

Group in order to enhance Europe's innovative prowess and international competitiveness", stresses ESIA Director Martin Spät.

Here the link to the full background details for this press release.

http://www.eeca.eu/index.php/further_topics_archives/en/

ABOUT EECA-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 around 115,000 jobs directly and up to 500,000 induced jobs in Europe, in a market valued at over EUR 21bn (\$30bn) in 2009. Website: www.eeca.eu

About WSTS: About WSTS: Established in 1986, WSTS is an independent non-profit organization representing the vast majority of the world semiconductor industry (Internet address: www.wsts.org). Its mission is to provide timely, accurate and authentic semiconductor market data on industry product shipments in a product line form serving the broad marketing and executive needs, therefore documenting past - and anticipating future business trends. More information on the WSTS website at www.wsts.org

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