



Brussels, 2 November 2009

**SEMI Europe Comments on the European Commission's Communication
"Preparing for our future: Developing a common strategy for key enabling
technologies in the EU" {COM(2009)512}**

SEMI Europe welcomes the European Commission's Communication on key enabling technologies (KETs). Following the need of adopting a European wide strategy to ensure European competitiveness, SEMI Europe congratulates that the Commission takes a leading role in solving a pan-European problem which can not be solved by a single Member State. SEMI joins the European semiconductor industry chip makers in their generally supportive uptake of the Communication as a first step. More specifically from SEMI's unique perspective, we recognize the importance of points raised in the Communication such as R&D, Lead Markets, Skilled Engineers, Financing, IP Protection, but we would like to emphasize the sense of **urgency**, more specifically regarding the following points:

1.1. State aids policies: Increasing R&D and fostering innovation in the EU is essential but not enough. R&D cannot survive without a minimum of manufacturing as performance demonstrator and enabler for introducing new products. As mentioned in the Communication, in the long-run R&D activities are likely to follow production. Urgent amendments to Europe's state aids policies are necessary if Europe wants to keep manufacturing and retain expertise in its territory to compete effectively with other regions of the world. As long as regions such as the United States and Asia continue to provide significant subsidies and incentives for semiconductor manufacturing, Europe must provide comparable incentives. A close dialogue between the Commission, Member States and the industry is of critical importance and needs to be initiated as soon as possible.

1.2. Trade Policy: SEMI Europe welcomes the role of the Commission in monitoring subsidies and other trade distortions by third countries. Governments in other regions strongly support the semiconductor manufacturing industry by providing significant incentives as well as R&D funding, workforce development programmes and a favourable regulatory environment. European companies struggle to compete with actors from other regions in this global playing field. But monitoring is not enough; these distortions are already taking place and have been documented. The Commission needs to take action to ensure a fair global level playing field. Creating a competitive environment for European semiconductor industry is a must for its survival.

1.3. Funding instruments: Only with adequate framework conditions, R&D investments will create industrial value at the European level. The present schemes of funding (such as under Artemis, Catrene and ENIAC) do not enable cross-border funding. European funding must be used to bring European excellence together in order to allow research institutes and academia from one Member State to work with industry located in another. Cross-border funding is the most adequate tool to make private investment more attractive.

Closing Comment

SEMI Europe appreciates the recognition by the European Commission that KETs are strategic and of indispensable importance for the future of Europe's industry competitiveness. SEMI Europe is committed to work closely with the European Commission, and engage with other industry associations which share common interests and concerns, to ensure a framework that will encourage companies to remain and expand their manufacturing in Europe, all that with a deep sense of **urgency**.

About SEMI: SEMI is a not-for-profit global industry association representing 2000 companies that supply equipment, materials and services for the manufacturing of semiconductors, photovoltaic, MEMS, displays and related technologies. SEMI supports 200 member companies in Europe, including a few world champions (ASML, Soitec, Siltronic...) but mostly SMEs representing 90% of its membership. SEMI members produce 9 billion EUR in Europe and employ directly 105.000 people, 500.000 indirect jobs. www.semi.org/europe

CONTACT

SEMI Europe, 40 Avenue des Arts, 1040 Brussels, Belgium
Carlos Lee, tel: + 32 473 300433, clee@semi.org

About Nanotechnology Industries Association (NIA):

NIA is the sector-independent, responsible voice for the industrial nanotechnologies supply chains; it supports the ongoing innovation and commercialisation of the next generation of technologies and promotes their safe and reliable advancement. The NIA stands for science- and technology-based expertise in nanotechnologies, encompassing members companies that have successfully developed and commercialised nanotechnologies for over 25 years. Through proactive collaborations with regulators on the national, European and international level, as well as engagement with other stakeholders, the NIA promotes a framework of shared principles for the safe, sustainable and socially supportive development and use of nanotechnologies, by securing a publicly and regulatory supportive environment for the continuing advancement and establishment of nanotechnology innovation. www.nanotechia.org

About Plastic Electronics Foundation:

The Plastic Electronics Foundation is a not-for-profit organisation whose main objective is to promote the technology of printable, organic based flexible electronics into marketable applications and products worldwide. The Foundation is developing and co-ordinating the themes of the Plastic Electronics conference. Plastic electronics is a young industry experiencing unparalleled growth across the world, despite the global economic downturn. New technologies spanning numerous potential application fields are currently under development and this field is poised on the brink of mass commercialisation. The perennial challenges facing any new science of how to get costs low enough to make the technology viable is at the forefront of innovator's minds. www.plastic-electronics.org

About European Photovoltaic Industry Association (EPIA):

With more than 200 member companies drawn from across the entire solar electricity sector, EPIA is the world's largest photovoltaic industry association and represents about 95% of the European photovoltaic industry and 80% of the worldwide photovoltaic industry. EPIA members are present throughout the whole value-chain: from silicon, cells and module production to systems development. EPIA represents the interests of its member companies at the national, international and global level. Its mission is to deliver a distinct and valuable service driven from the strength of a single photovoltaic voice. www.epia.org

About Joint Equipment and Materials Initiative UK (JEMI UK):

JEMI UK is the only association truly representing the interests of manufacturers and suppliers of equipment, materials and services for micro and nanotechnology production across the UK and Ireland. Its aim is to promote the development of a strong UK infrastructure to support the growth of companies wishing to design, develop and manufacture semiconductor, nanotechnology, and MEMS technology devices within the UK. www.jemiuk.com

About Joint Equipment Manufacturers Initiative France (JEMI France):

JEMI-France is a non profit association of the French manufacturers and suppliers of equipment, materials and services to the worldwide Semiconductor Industry. JEMI France main objectives are: (a) create synergies between its members, (b) undertake leading developments with an adequate R&D level and committed user's partners (c) consolidate "existing" products, (d) open new segments with the establishment of alliances between JEMI members and leading worldwide equipment suppliers, and (e) maintain relationship with national and European administrations. www.jemi-france.org

About Silicon Saxony:

Silicon Saxony is Europe's largest and most successful branch association for the semiconductor, electronic and microsystems industry. Established in 2000 as an initiative of 20 partners in Dresden, it now links 270 commercial enterprises, research institutes, universities and colleges. www.silicon-saxony.de