

Brussels, 15 January 2010

European Commission  
Secretariat General  
Unit D1  
B - 1049  
Brussels

**Re: Consultation on the future "EU 2020" strategy**

The importance of Key Enabling Technologies (KET), and specifically semiconductors, has been recently recognized by the European Commission in its recent Communication "*Preparing for our future: Developing a common strategy for key enabling technologies in the EU*" {COM(2009)512}, as well as in the Competitiveness Council Conclusions of 4 December: "*Towards a competitive, innovative and ecoefficient Europe – a contribution by the Competitiveness Council to the post-2010 Lisbon agenda*". Having these two documents as background SEMI Europe would like to make the following contribution to the consultation on the future "EU 2020" strategy:

➤ ***Creating value by basing growth on knowledge***

SEMI Europe recognizes that "*knowledge is the engine for sustainable growth*". However, Europe is suffering from skilled-labour shortage, particularly in the ICT sector which lacks 300,000 qualified staff. In order to fill this gap, two actions are needed: attracting more students in the fields of natural science, mathematics and engineering, and welcoming highly-educated foreign nationals to Europe. Further actions are required both at EU and national level to ensure that Europe can still compete in the global race for talent.

Furthermore, only with adequate framework conditions and incentives, R&D investments will create industrial value at the European level. 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.

➤ ***Creating a competitive, connected and greener economy***

The semiconductor equipment and materials industry has taken a leading role in Eco-Innovation and Eco-Efficiency, in particular in the automotive domain, renewable energies and the future creation of smart grids. Therefore SEMI Europe believes that the contribution of Key Enabling Technologies (KET) should be specifically underlined in the context of the developing of smart, upgraded transport and energy infrastructures.

SEMI Europe agrees that state aid policy will play a key role in supporting the transition to a smarter, greener economy, but they must take into account the important role of manufacturing, whose geographical proximity is of extreme importance to researchers and to the availability and quality of market supply itself. Manufacturing results in GDP and jobs, and it is the driver for research and the supply chain.

Because of delocalization to other regions of the world not only thousands of jobs in Europe are at stake, but also many other European industries will no longer have first access to latest technologies. The very attractive direct and indirect incentives offered to manufacturers result in an unfair global playing field. Many SMEs will close shop in Europe. In this context SEMI Europe stresses the need of identifying new funding models to maintain and grow manufacturing and "brains" in Europe.

➤ **Setting EU 2020 in a global context**

Many European research intensive industries depend on intellectual property (IP) to keep innovation alive, but IP offences such as patent infringement, counterfeiting, and trade secret theft have reached serious levels. IP protection is critical to allow investment in the R&D necessary to continue technological advancement and survive in the supply chain. It is crucial that the EU ensures that there are effective IP protection and enforcement policies. Nowadays difficulties related to language differences and high patent registration costs are an obstacle to SMEs. Within the EU, an effective EU patent scheme has to be proposed and adopted.

**Closing comment:**

KETs are strategic and indispensable for the future of Europe's industry competitiveness. SEMI warns that Europe has to give the right attention to KETs and to their respective manufacturing, which must be part of a global and long-term perspective. Not doing so will also have a negative impact on other industries, as mentioned in SEMI's white paper: "*6 Recommendations to the European Union and National Governments to Increase Europe's Microelectronic Industry Competitiveness*" – [www.semi.org/europewhitepaper](http://www.semi.org/europewhitepaper). Mentioning the importance of KETs in the new "EU 2020", as the successor to the current Lisbon Strategy, and addressing the concerns presented in SEMI's participation to this consultation would certainly communicate an important message to all the actors involved in the creation of a genuine European Knowledge Area.



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