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Vice President Tajani,  
Commissioner Hahn,  
Ladies and Gentlemen,

It is a real pleasure to be with you here today and to have the opportunity to discuss positive economic developments – after such a long time with negative headlines dominating.

In the last couple of weeks and months confidence into the world economy has grown again. Financial markets are on record levels, growth forecasts are getting more and more optimistic. And it is not only the expectation of global growth. A growing number of experts believes that Europe could be on track again. Especially for microelectronics, our industry, I am confident that this is true.

Capacity utilization of the chipmakers worldwide is on a high level. Our industry invests considerably. Infineon for example is going to invest this year about 650 million Euros, that means: 15 percent of our annual turnover, in new equipment and buildings. Another half a billion Euros go into research and development. By the way: The majority of these means will be put into our European activities, because we still believe in Europe as a strong basis for our globalized business.

On a global scale, the semiconductor industry invests about 50 billion Euros every year in its production and almost the same amount for R&D. Europe should aim for a fair share of this money. What is put by the European Commission on the table, you all know: This will stimulate R&D and some pilot activities. The regions will join states and Commission.

The semiconductor industry is a solid early indicator for the growth trend in the real economy. Thus, we can expect investments of other industries to follow.

This is why I am optimistic about Europe. A sustainable economic recovery is possible, based on the strong industrial core. With industries investing and businesses growing, the tax income of member states will rise again. State coffers will not overflow with fresh money, at least the rigorous austerity policy could come to an end. We should switch from consolidation modus to building something new again.

Before we take action we should make very clear, what we want to achieve. Europe needs jobs. This is obvious. High rates of long-term and youth unemployment are intolerable. Certainly not all jobs are worth fighting for. Many jobs were lost in the last decades to Asia for example. Most of these jobs had one main criterion: lower wages. Even if we could get these jobs back, should we not better concentrate our efforts to create higher-value jobs? Europe should secure its competitiveness, but cannot and should not compete as a low-cost location for business. I believe: a reindustrialization could bring the jobs Europe really needs, if we take a holistic approach.

A really sustainable reindustrialization is primarily not so much about production, but about competence. Competence in technology fostering differentiation triggers competitive production. If you lose the competence you will lose production. Thus, competence is the most important precondition to get sustainable jobs adding real value for the people and our society. We can observe how this works with the already successful European industries like automotive or producers of environmental solutions. They developed more complex processes that are based on a dense network.

The current economic dynamic in the world may open a window of opportunity for regaining industrial power in Europe – against the rising Asian industry and against the new ambitions in the US.. The window for Europe will be small, perhaps some months or about a year. In this time Europe should seek for the best ways to make itself attractive for investors and innovators. This is a window of opportunity to strengthen and – to a certain extent – to newly establish a solid co-operation between politics, industry and academia. Europe gets a window of opportunity to regain trust in the world!

We should not forget that Europe has several qualities which are preconditions for a successful industrialization: a strong ability managing complexity and diversity including the understanding of systems in our industries, valuable patents, an independent and reliable jurisdiction, a culture of new ideas, a good infrastructure and – not to forget – peace! Of course, some of these qualities could and should be improved. But generally Europe is well positioned in the global competition, not only for products, but for investments as well. In order to reach the aim of attracting industries the smart specialization policy of the Commission is extremely helpful. On the one hand it observes the principle of subsidiarity, problems are dealt with on the level appropriate – in the region, the member state or in very carefully selected cases in Brussels. On the other hand the Commission has introduced a coherent policy with Horizon 2020 together with the combined funding mechanism. In my

opinion – and I am sure, my colleagues in the industry do agree – the Commission’s policy is very smart from every point of view.

If we want to regain a fair share of global industry for Europe now, we need more of this kind of smart policy design. Let’s face reality: Even if we would combine the EU Structural and Investment Funds (ESIF) with Horizon 2020, this would not give us enough firepower to compete seriously with the US or the relevant Asian economies. Just think of China: Beijing just announced to put 5 billion dollars into the semiconductor industry to help it reaching top levels.

Europe has to join forces more rigorously, especially when we think of Key Enabling Technologies. KETs are at the heart of future success and of sustainable growth. Thanks to KETs, Europe could make the best of its industrial potential.

A core rule of Europe has always been subsidiarity where possible and concentration where needed. Now, there is a real need for concentration in partnership – of means and thoughts.

My firm conviction is: the European approach of joining forces should be applied to Key Enabling Technologies! All European economies would profit by being close to enabling companies and institutes. Furthermore, we should strive to become number one globally in key industries. Because: the number one is almost always shaping the global market for its own norms and standards. Remember GSM in mobile telecommunications that helped the European industry to stay on top against most competitors for quite a while.

Therefore I am looking forward to having a summit decision on KETs policy in favor of a smart co-ordination of the policies of the Commission and of member states. Important elements of such a joined approach should be:

- developing a strong knowledge-based society with outstanding competence in science, research, development and production,
- fostering a pro-technological consciousness among Europeans,
- a public procurement policy promoting actively competitive or young promising industries,
- combined funding of pilot lines,
- intensified cross border activities,
- competitive and therefore lower energy prices
- and an industrial policy targeting the global market.

To limit regulation and centralization to a level necessary, there is still enough time to involve member states and industries in the planning processes of the Commission.

Dear fellow Europeans: The opportunity is real. Since the millennium there were so many plans formulated with limited success. Now let's make it real: Let's join forces! Discussions must end, there is need for action. Let the next years be a time of a new wave of industrialization in Europe. Let us build a competitive and sustainable economy that is in the driving seat of global developments – and helps to preserve the world for coming generations.

Thank you.