Dr. Georg Schütte,
State Secretary at the
Federal Ministry of Education and Research
on the occasion of the conference
"A dynamic Digital Components and System Industry for Growth and Jobs in Europe"
on 30 June 2014 in Brussels

Check against delivery!
Vice-President Kroes, (Neelie Kroes, EU Commissioner for Digital Agenda / Vice-President of European Commission, Netherlands)
Mr Verwaayen, (Chairman, ELG / Electronic Leaders Group),
State Secretary Fioraso, (Geneviève Fioraso, Minister for Higher Education and Research, France),
Ladies and Gentlemen,

ECSEL and the Electronics Strategy for Europe are good examples of how well Europe is working.

They both stand for the benefits of Union action. They demonstrate the strength which can unfold in the EU when the Commission brings together industry, research and the Member States to pursue a common goal and adopt a common approach. ECSEL, which Germany vigorously promoted during the Council negotiations and which was approved by the Council on 6 May, is a concrete expression of this common approach.

I would like to take this moment to thank the Commission, and you, Madam Vice-President in particular, for this initiative and your personal commitment. We have come together today to pay tribute to that commitment. Our common aim is to retain and enhance strategic high-tech expertise in Europe through microelectronics. We all agree that the innovation performance of Europe would be diminished without internationally competitive electronics capabilities in industry and research.
This also applies to the semiconductor industry, which is a key player and provides more than 250,000 jobs to highly qualified people in Europe. But there is more to it than that. This is about Europe's ability to shape the upcoming cycles of innovation, in particular the sweeping digitalization of industry and society.

This is the age of Smart Factories – in Germany we call it Industry 4.0 – and the Internet of Things where a competitive product without electronics is hardly conceivable. This is a Europe which has declared security, reliability and energy efficiency the key factors of a functioning smart society. It is the strength of Europe's industry to come up with complex solutions in industrial automation, mobility, medical technology and communication. In view of all these points, it seems obvious that Europe needs an industry which can provide the key electronics components.

So we see that ECSEL is more than just a technology project. ECSEL represents a policy aimed at securing Europe's competitiveness. ECSEL will do more than just pool funding for research, however important that is as well. The tasks which ECSEL has go beyond developing better technology more quickly: it will also increase the value added by electronics in Europe and improve the attractiveness of investment.

The strategic importance of expertise in high-tech electronics for Europe is clear, especially when compared with the other large economic areas in America and Asia. There is no single Member State that is strong enough in micro and nanoelectronics, smart system integration and embedded systems to go it alone in the development of this field. Value-adding chains have already reached across national borders for quite a
while. The European Single Market has already become the platform on which research, technology and industrial policy must operate to be effective.

And this is why Germany expressly welcomes the European Strategy committed to microelectronics. The German coalition agreement of the majority support parties of the Federal Government underscores the key role that microelectronics play for Germany. The German Federal Government has formulated a national position on microelectronics on this basis. It is a pleasure for me to present this position today in person.

One element of the strategy is the Federal Government's aim to significantly increase its involvement in ECSEL in comparison to ENIAC. Our aim – and we have agreed on a joint national approach with the Land Saxony – is to double the volume of national funding for microelectronics in ECSEL. Saxony aims at contributing substantially to further increase the German share of the ECSEL funding.

We are betting on the good, successful cooperation which exists at European level, in particular with France, the Netherlands, Belgium and Italy. This cooperation was established back in 1989 in the EUREKA JESSI\(^1\) project. ENIAC\(^2\) marked a major new element of cooperation when it was established in 2007 under the 7th Research Framework Programme. Pilot lines were successfully included in funding under ENIAC – a pioneering step on the way towards Horizon 2020. Another milestone is the "Silicon Europe" cluster established in 2012, in which five of Europe's microelectronics clusters joined forces with some

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\(^1\) Joint European Submicron Silicon Initiative

\(^2\) European Nanoelectronics Initiative Advisory Council
800 companies and research institutions and more than 100,000 employees.

Ladies and Gentlemen, the European partners, the Commission, the semiconductor industry, the research community and the regions are all towing the same line. And this is exactly the kind of partnership we need in Europe. It is absolutely essential for projects which are as ambitious as, say, the pilot lines, and for combining research and infrastructure funding, for example from the Structural Funds.

As a new measure in accordance with Article 187 of the Lisbon Treaty, and incidentally the only partnership to enjoy tripartite financing, ECSEL has good chances of using this solid support to live up to its ambitious name: "Electronic Components and Systems for European Leadership."

Please allow me to identify three additional priority areas in Germany's position paper.

Firstly: We aim to gear future funding even more strongly towards accelerating the development of intelligent and reliable (micro)electronics systems and to strengthen the design of complex chips and chip systems to boost chip functionality. We also want to expand on our leading edge in chip-based security technologies. Germany considers power electronics to be very important in this regard because high-power electronic devices play a major role in creating value in electric mobility, in plant and mechanical engineering, industrial production, and in home appliances and building services.
Secondly: In addition to a focus on "More than Moore technologies", we must also ensure access to other important technological developments and expand on existing expertise, for example in production technology. We believe that the value-adding chain must be uninterrupted from the semiconductor to the final product in order to strengthen production technology for assembly. This includes new equipments and processes for the high-precision, reliable and low-cost assembly of the smallest and varied components to produce complex electronic and multifunctional modules and systems.

Thirdly: Improving the general conditions for investment. We are currently working on a joint action plan with the German Ministry for Economic Affairs. In the same context, we are reviewing the opportunities which may evolve based on the papers recently submitted by the Commission on "Important Projects of Common European Interest" and on "Synergies between ESIF, Horizon 2020 and other EU programmes for innovation and competitiveness."

Ladies and Gentlemen, please allow me to recap:

1. A strong microelectronics industry goes hand in hand with a strong economy for Europe.
2. Europe can only hold its ground in the highly competitive electronics industry if we in Europe cooperate as we are about to do in ECSEL.
3. Germany's objective is to significantly increase its involvement in ECSEL and will focus its participation on "More than Moore technologies" and power electronics.
4. Germany will strongly advocate a European industrial policy that is research-driven, but one whose free-market orientation\(^3\) we believe is necessary for its success.

5. Germany advocates that the new Commission will also see microelectronics as a priority issue on its political agenda.

6. The Federal Government welcomes industry’s commitment as expressed in the Electronics Leaders Group. Its commitment and focus on the described priorities will also bear fruit at political level. We now hope that industry will act accordingly and engage not only in research and development, but also in production and investment in Europe.

Thank you.

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\(^3\) Kommissar Barnier hat sich im Beisein von Staatssekretärin Fioraso beim KET-Summit in Grenoble am 19.05.2014 für eine europäische Industriepolitik für KETs nach dem Vorbild der EU-Agrarpolitik ausgesprochen (siehe Vermerk von 224 vom 6.6.2014). KETs wurden als Experimentierfeld für diese neue EU-Industriepolitik genannt. Als die wesentlichen Hindernisse für die Implementierung von KETs und damit größte Herausforderung wurden genannt:

1. Definition und Implementierung von Projekten im Europäischen Interesse (projects of common european interest) essentiell.
2. Modernisierung/Flexibilisierung der Beihilferegelungen
3. Anwendbarkeit der Finanzierung der PL über EIB Garantien
4. Entwicklung einer IPR Regelung die global Wettbewerbsfähig ist.