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Geschäftszeichen
(bitte bei Antwort angeben)

Dresden, 21. Juni 2024

Position Paper of the European Semiconductor Regions Alliance

Dear Ms. Dr. Ursula von der Leyen,

as the Chairman of the European Semiconductor Regions Alliance (ESRA), it is my distinct pleasure to submit to you the first position paper of our alliance, now comprising 31 member regions. This document was presented and ratified at ESRA's first General Assembly on May 29, 2024, in Dresden.

Semiconductors are the oil of the 21st century, integral to virtually every aspect of modern life. The demand for semiconductors is rising in response to urgent challenges such as the energy transition and mobility transformation. An overwhelming majority of industries are dependent on a steady supply of semiconductors. The COVID-19 pandemic clearly illustrated the repercussions of disruptions in these highly complex supply chains on production. Comprehensive support for the semiconductor industry in Europe will, therefore, enhance the overall resilience of the European Union. ESRA positions itself as a partner to the European Commission and the European Parliament in achieving the goal of increasing the EU's share of the global semiconductor market to 20%.

The enclosed position paper highlights the key needs and concerns of the ESRA member regions, aiming to strengthen Europe's standing as a semiconductor hub in the global market and bolster the competitiveness of the semiconductor industry within the regions of EU member states and the EU as a whole. Given the high complexity of the semiconductor industry, which is deeply rooted in the regions, there is a need for specific conditions to support it. To ensure these conditions amidst the globally dynamic developments in this industry, we must adopt a holistic approach that encompasses the entire value chain. The key demands outlined in the enclosed position paper are as follows:

- I. Long-term support for the semiconductor industry: Beyond the European Chips Act, there is a need for comprehensive long-term support that includes the entire value chain. This requirement should be embedded in the EU's multiannual financial framework.

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- II. Strengthening research and development: In addition to production support, promoting research and development is necessary to enhance the resilience of semiconductor production, for example by establishing pilot lines.
- III. Creating conducive framework conditions: We must establish favourable conditions along the entire value chain and remove restrictions that threaten the industry's sustainability must (e.g. in the context of the revision of the Chemicals Regulation/PFAS).
- IV. Collaboration in vocational education: We need additional incentives in order to foster collaboration in vocational education. It is particularly important to increase the attractiveness of STEM education, especially for girls and women, to meet the growing demand for skilled professionals.

Following the General Assembly, the position paper was published on the alliance's website (www.esra-org.eu). Dear Ms. Dr. Ursula von der Leyen, as we prepare for the next legislative term of the European Union, I urge you to consider the crucial support needed for the European semiconductor industry, so that its concerns and needs are to be represented and heard at the highest levels of the EU.

For further discussions and inquiries, please contact Dr. Sebastian Lindner (+49 351 564-12500, Sebastian.Lindner@sk.sachsen.de), head of the Digital Strategies Unit.

Yours sincerely,



Michael Kretschmer
Prime Minister of the Free State of Saxony

Enclosure: ESRA Position Paper