



Brussels, 24 May 2024

FOR IMMEDIATE RELEASE

ESIA welcomes Enrico Letta's recommendations for the Future of the European Single Market

In April, Enrico Letta, former Italian Prime Minister, presented his [Report on the Future of the Single Market](#) to the European Council.

ESIA, as the voice of the semiconductor industry in Europe, supports the report's key recommendations to strengthen the European Single Market and adapt it to today's challenges. The semiconductor sector requires policies that put competitiveness at the forefront and enable it to further grow and invest in Europe.

"The rapidly evolving geopolitical landscape makes it necessary to rethink the EU Single Market and update our policy instruments accordingly" stated Jochen Hanebeck, ESIA President. *"Europe must boost its existing strengths in green and digital technologies, including its core microelectronics competences, through further public-private investments. But to maintain its competitiveness globally, Europe also needs to team up with third countries to build long-term and comprehensive collaborations"*, concluded Mr Hanebeck.

ESIA supports the report's proposal to develop an EU industrial strategy adopting a truly European approach. The call for less bureaucratic burden and simplification of existing regulation must be a key pillar of such a strategy.

Another crucial element, as rightfully outlined in the report, is to further leverage Europe's research and development strengths and continue to reinforce the European education area to support the industry needs. ESIA agrees that the EU should develop a collective intelligence and leading industrial ecosystem. This includes free and strong R&D and requires addressing the investment gap in research and innovation. Public-private partnerships in strategic areas, focused on knowledge exchange and innovation uptake, should be further developed. This would contribute to a competitive and dynamic European Research Area, and also help tackling the looming skills shortage.

Streamlining and facilitating the existing state aid framework and elaborating on new instruments to fund pan-European initiatives and R&D activities are equally important cornerstones.

While the ideas to establish a Circular Single Market and develop a New European Water Framework bear large innovation possibilities and societal benefits, a targeted, sector-specific approach, enhancing Europe's investments in the digital transition, will be of utmost importance to tackle the areas with the highest impact in the most effective way.

Also, the creation of a European Energy Single Market with lower and more stable energy prices and accelerated grid development, as suggested in the report, will be highly critical for

semiconductor companies to continue to operate competitively in Europe and must be a priority for the next political term.

Finally, as the semiconductor industry is by nature highly globalised, ESIA agrees with the report's call for "a harmonious balance between the integration into the global market and ensuring security, with the aim of enhancing our competitiveness and resilience"¹. The focus must be on de-risking rather than decoupling to ensure stable and sustainable supply chains and trade relations, while preserving Europe's interests and maintaining its openness. The creation of an Economic Security Council, further steps towards export control harmonisation, and evidence-based policies will be decisive in addressing Europe's economic security challenges.

For more information:

Giovanni Corder
Acting Director-General
European Semiconductor Industry Association (ESIA)
Tel: +32 2 290 36 60

About ESIA: *The European Semiconductor Industry Association (ESIA) is the voice of the semiconductor industry in Europe. Its mission is to represent and promote the common interests of the Europe-based semiconductor industry towards the European institutions and stakeholders in order to ensure a sustainable business environment and foster its global competitiveness. As a provider of key enabling technologies, the industry creates innovative solutions for industrial development, contributing to economic growth and responding to major societal challenges. Being ranked as one of the most R&D-intensive sector by the European Commission, the European semiconductor ecosystem supports approx. 200.000 jobs directly and up to 1.000.000 induced jobs in systems, applications and services in Europe. Overall, micro- and nano-electronics enable the generation of at least 10% of GDP in Europe and the world.*

¹ [Enrico Letta - Much more than a market \(April 2024\) \(europa.eu\)](#), last retrieved 26.04.2024.