



European Semiconductor Industry Association

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ESIA Position on the EU-Japan FTA negotiations

The European Semiconductor Industry Association (ESIA) supports the conclusion of a comprehensive and ambitious Free Trade Agreement (FTA) between the EU and Japan. However, ESIA would like to take the opportunity, on the occasion of the upcoming review of the EU-Japan FTA negotiations, to emphasize the need for the European Commission and Member States to identify and evaluate the concrete progress towards the removal of non-tariff obstacles made during the first year of negotiations.

Semiconductors enjoy zero tariff treatment in Japan already today, as other industrial products. However, significant barriers to trade in Japan restrict business opportunities for European semiconductor companies. The elimination of Japanese non-tariff barriers - ranging from non-transparent public procurement practices to, for example, inappropriate state aid – is key to the creation of sufficient opportunities for European businesses to compensate the increased access to the EU market which Japanese manufacturers would gain as a result of European tariff reductions. Provided these market access issues are effectively resolved, a bilateral FTA with Japan could bring significant benefits to the European semiconductor industry and provide the basis for enhanced opportunities for economic growth in both markets.

ESIA strongly recommends that the European Commission and the Member States, when taking stock of the results of the first year of negotiations, assess the concrete improvements made on the NTBs roadmap. ESIA further calls upon the Member States to recommend the continuation of the negotiations, by simultaneously ensuring that there was or will be sufficient progress in the elimination of non-tariff barriers to trade in Japan.

Considering the potential of this FTA to deliver significant economic benefits for the entire European economy and for many industry sectors, ESIA further recommends enhanced transparency in the review mechanism, which should be open and also rely on consultation with stakeholders.

ESIA reaffirms its support for the efforts of the European Commission and Member States to achieve a successful and balanced FTA with Japan.

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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 the most R&D intensive sector by the European Commission, the European Semi-conductor 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.