ESIA hosted JSTC 2018 in Budapest, Hungary

From 27 February to 2 March 2018, the European Semiconductor Industry Association (ESIA) hosted the 60th Joint Steering Committee (JSTC) & ESH Meeting. Representatives from the semiconductor industry from China, Chinese Taipei, Europe, Japan, Korea, and the United States gathered in wintery Budapest, Hungary, to “review the task force and committee activities and to discuss possible new areas for international cooperation”.

In Budapest, the European JSTC delegation was chaired by ESIA Vice President & Corporate Vice President at STMicroelectronics Thierry Tingaud.

Regional Support

During its last meeting in November 2017 in Busan, Korea, the Governments/Authorities Meeting on Semiconductors (GAMS) invited the WSC to carry out a self-assessment survey on max. five regional support programmes per participating region. Delegations agreed on five programmes each that shall be scrutinised in the context of the self-assessment exercise. The JSTC also agreed on a survey template for providing information as part of the exercise.

In 2018, the GAMS will hold a third workshop on regional support programmes; including related issues such as investment, antimonopoly rules, or intellectual property (IP). For the workshop on 16 October 2018 in Chiba, Japan, a first agenda was circulated in Budapest.

Encryption

Whilst the WSC continues to seek full market access for encryption products, GAMS 2017 invited participating regions to conduct a self-assessment survey of regional...
practices relating to the WSC Encryption Principles. The survey is on-going, with initial inputs having been submitted, and completion anticipated by end of March 2018. An accompanying document for possible comments by individual associations shall also be added.

SIA in Japan may propose a concept for a dedicated GAMS workshop on encryption to be in Chiba in October 2018. As chair, ESIA will propose a draft agenda for the workshop.

Customs & Tariffs

Following the implementation of the expanded Information Technology Agreement (ITA), China had imposed duties on ten (previously duty-free) multi-component semiconductors (MCOs). In Busan, GAMS agreed that China should provide explanation on their methodology to derive new duty rates (expected in early March 2018).

Pertaining to the World Customs Organization (WCO), the EU has tabled a proposal to include "semi-conductor-based transducers" as a new category. Also, the EU shall submit a proposal to amend the WCO’s definition of multi-chip package (MCP) products, covering products in which not all integrated circuits (ICs) are "electrically interconnected".

IP & Anti-Counterfeiting

The WSC’s work on abusive patent litigation is on-going, now following up on the implementation of best practices recommendations in the participating regions.

On patent quality, the WSC is currently finalising the "WSC Recommendations to Patent Offices for Improving Patent Quality", aimed at ensuring consistent high-quality patents in the regions.

The WSC Anti-Counterfeiting White Paper shall be updated to cover counterfeit and the online environment. Furthermore, ESIA proposed to publish a WSC press release in support of the World Anti-Counterfeiting Day (WACD) 2018.

Environment, Safety & Health

With regards to chemicals management, WSC associations had sent a joint position paper to the United Nations’ Stockholm Convention on Persistent Organic Pollutants (POPS), to notify them of the completed elimination of perfluorooctanesulfonic acid (PFOS), as well as requesting collaboration on further regulations. Associations have also agreed to complete their analysis for perfluorooctanoic acid (PFOA) and related substances status.

As for perfluorinated compounds, or PFCs, the voluntary agreement annual reporting materials will be prepared for the 2018 WSC Joint Statement. Also, preparatory work to complete a survey on possible elements for a post-2020 PFC programme are on-going. Pertaining to the U.N. Intergovernmental Panel on Climate Change (IPCC), all six regions’ experts are participating in the 2019 guidelines refinement process for the reporting of industry emissions.

On safety & health, all associations agreed to try to get more complete chemical composition information from suppliers.

Conflict Minerals

The JSTC also agreed to update the ‘WSC Conflict Minerals Policy Statement’ by broadening the geographical scope to “conflict-affected and high-risk areas”, mirroring regulatory practice in the EU.
Under the motto “United we stand strong”, the Republic of Bulgaria has taken over the 6-month rotating Presidency of the Council of the EU for the first half of 2018.

The Presidency will considerably be affected by the ongoing ‘Brexit’ negotiations and the question on how to proceed with regards to ensuring citizens’ rights, disentangling the financial situation, and finding a solution on the Northern Ireland border.

As it is phrased on the Presidency website, the “EU is at the doorstep of key reforms aimed at making it stronger, more united and more democratic.” Bulgaria’s priority areas relate economic growth & social cohesion (particularly with regards to the Multiannual Financial Framework beyond 2020), a perspective toward EU association and/or membership for the Western Balkans, security & stability matters, as well as the Digital Economy and skills “needed for the future”.

Given that the Commissioner for Digital Economy & Society Mariya Gabriel is Bulgarian herself, Sofia aims at finalising a number of digital files. More specifically, the Presidency programme refers to accelerating the completion of a “competitive and fair Digital Single Market; supporting connectivity within the EU”, as well as “enhancing the credibility and security of personal data in the digital space and the development of a European data-based economy”. The programme also stresses the “rapid penetration of information and communication technologies in all sectors of the economy.”

It is noteworthy that major EU legislative files are going to enter into force during the Bulgarian Presidency: the transposition period for the Network & Information Security (NIS) Directive ends on 18 May, and then, as of 28 May, the General Dara Protection Regulation (GDPR) enters into force.

As Weber Shandwick reports, Sofia also intends to tackle the review of the Intellectual Property Rights (IPR) Enforcement Directive.

On trade, the Bulgarian Presidency is going to advance discussions on a screening framework of foreign direct investments (FDI) into the EU. A proposal is expected for the upcoming European Summit on 22 and 23 March 2018 in Brussels.

Lastly, Bulgaria seeks to “place emphasis” on industrial policy, following up on the work of Estonia on a “smart, innovative and sustainable industry” the previous six month.

Commission DGs reshuffle

On 21 February 2018, the European Commission announced a number of internal management changes within the Directorate-Generals (DGs), some pertaining contacts & acquaintances of ESIA:

- Mr Joost Korte will move from Deputy Director-General at DG TRADE to Director-General at DG Employment, Social Affairs and Inclusion (DG EMPL).
- Mr Jean-Eric Paquet is be the new Director-General at DG Research and Innovation (DG RTD). The position was held by Mr Robert-Jan Smits, who in turn continues as hors classe adviser for EPSC, the European Political Strategy Centre.
- Lastly, Ms Signe Ratso moves from being the position of Director at DG TRADE, to be Deputy Director-General at DR RTD.

Launch of a “Charter of Trust” in Munich

At the Munich Security Conference on 16 February 2018, a number of companies like Airbus, Deutsche Telekom, Daimler, IBM, NXP Semiconductors, and Siemens partnered to sign a “Charter of Trust For a secure digital world”. The initiative calls for stronger safeguards against assaults on digital systems controlling homes, hospitals, factories, grids, and “virtually all” infrastructure, saying that digitalisation and cybersecurity “must evolve hand in hand.”

Furthermore, the Charter urges companies & governments to join forces and “take decisive action”. For that purpose, the initiative outlines ten key principles that are “considered essential” to establish the aforementioned trust. Key principles cover matters such as ownership of cyber & IT security at the highest governmental & business levels, shared responsibility throughout the digital supply chain, security by default, and user-centricity.

Moreover, it calls for means of innovation & co-creation (incl. contractual Public Private Partnerships), educational measures with dedicated cybersecurity courses & degrees, certification frameworks for critical infrastructure & solutions, as well as a regulatory framework that promotes multilateral collaborations in regulation & standardisation.
On 23 February 2018, at the occasion of the EU Industry Day, the ‘Horizon 2020 High-Level Strategy Group on Industrial Technologies’ published its preliminary report called “RE-FINDING INDUSTRY”. The group, chaired by former German Federal Minister of Education, Science, Research & Technology Jürgen Rüttgers, was tasked with reviewing the European strategy on Key Enabling Technologies (KETs) as well as “to recommend how to best place them in the forthcoming mission-oriented research and innovation programme.”

The report’s preliminary results were used as a basis for discussion during a dedicated session at the EU Industry Day 2018. Beyond that will it feed into the preparation the group’s final report, expected for April 2018.

The now published ‘Rüttgers Report’ recalls that, despite “increased productivity, Europe’s industry faces several challenges”. The report then refers directly to Beijing’s ’Made in China 2025’ strategy that “can present attractive opportunities for some European businesses” in the short and medium term. However, in the long term, the strategy “amounts to an import substitution plan”.

With regards to “KETs 4.0”, the Rüttgers Report identifies an increasingly knowledge-intensive production, digitalisation, and globalisation (with China again being singled out as “the most significant” emerging market economy) as the three main challenges for Europe’s industry.

The societal dimension is being mentioned repeatedly, claiming that “Europe’s competitiveness lies in our capacity to create balanced, cohesive, well educated, healthy and protected societies”. Hence, the report suggests “a new, broader definition of KETs”, based on the following criteria:

- social & societal impact;
- relevance for all product development phases;
- capacity to improve people’s health, safety and security, support for sustainable development, and secure connectivity & communication; and
- enabling power for multiple & cross-sectoral industrial applications.

As a result of the above, the report recommends to confirm the existing six KETs “while merging four of them into two broader categories (materials and nanotechnology, photonics and micro- and nano-electronics)”, to broaden the ‘biotechnology’ KET to ‘Life Sciences technologies’, and to add ‘artificial intelligence’ and ‘digital security and connectivity’ as two new main fields (a visual presentation can be accessed here).

Lastly, the Rüttgers Report also investigated potential links between KETs and so-called “mission-oriented research”, a core element of the Ninth Framework Programme (FP9). The group identified 14 possible missions ranging from ‘Industry renewal’ and ‘Digitalisation as a European jobs engine’, to ‘the new internet’ and ‘Circular economy—shift to de-production and re-production’.

---

**New European Joint Undertaking for supercomputers**

On 11 January 2018, the European Commission had unveiled its plans to build “a world-class European supercomputers infrastructure”. According to the Commission press release, the technology is necessary “to process ever larger amounts of data and bring benefits to the society in many areas”, including renewable energy & cybersecurity.

Hence, the EuroHPC Joint Undertaking, a new legal & funding structure is being envisaged. The EU intends to fund this structure with € 486 million under the current budget, “matched by a similar amount from Member States and associated countries” to reach € 1 billion in public funding by 2020. The Joint Undertaking shall acquire & operate two “world-class preexascale supercomputing machines”, and shall run a research & innovation programme on HPC.

**Call for Application: IPCEI Strategic Forum**

Recently, the European Commission has launched a “Call for applications for the Strategic Forum for Important Projects of Common European Interest” (IPCEI). The strategic forum with up to 50 members shall “facilitate agreements between public authorities and key stakeholders from several Member States” to advance new IPCEIs and build a common vision for joint efforts & investments.
On 26 April 2018, both NanoSTREEM, a consortium gathering many ESIA members, and the calIBRAtE project are organising an exploratory workshop entitled “Governance of emerging nano-risk in the semiconductor industry” in Brussels, Belgium.

The workshop seeks to “bring together regulators, policymakers, the growing risk governance community for nanomaterials as well as industrial producers and end-user companies.” NanoSTREEM project findings provide the basis of how & where nanomaterials are being used in the semiconductor industry, followed by risk governance frameworks that could be applied within the industry—presented by the calIBRAtE project.

The workshop shall conclude with a panel discussion on the necessary steps to “further enable use of nanomaterials throughout the industry and appropriately govern the emergent risks in view of the Safe-by-design concept.” Workshop speakers include representatives from the Finnish Institute of Occupational Health (FIOH), imec, Intel, STMicroelectronics, as well as the Nanotechnology Industries Association (NIA).

In terms of outcomes, the exploratory meeting seeks to identify challenges and regulatory issues in the semiconductor industry, and to explore how risk governance tools can support effective business operation.

The workshop is going to take place in the Academy Palace:
Rue Ducale / Hertogstraat 1
Brussels
Participants can register for the all-day workshop via this link.

On 22 and 23 February 2018, the European Commission held the second edition of its EU Industry Day in Brussels, Belgium. ESIA attended the event that aims at updating “stakeholders on the Commission’s strategic approach to industrial policy and actions to further develop industrial competitiveness in Europe.”

On both days, panels & parallel sessions focused on a broad range of topics for industries in general; from “automation or co-creation” and the digital revolution (Industry 4.0, artificial intelligence, digital innovation hubs), innovation and entrepreneurship, to social dialogue & skills, energy policy, the circular economy, etc.

The event is also intended as a “forum for stakeholders contributing to European industrial competitiveness to showcase their activities, learn from each other, discuss cross-cutting issues and develop joint visions for the future.”

The EU Industry Day had a number of high-level key note speeches from Commission VP J. Katainen, Commissioners E. Bienkowska & C. Moedas, and Parliament President A. Tajani.
On 6 December 2017, ESIA hosted its annual Reception & Gala Dinner in Brussels. The association gladly welcomed members, stakeholders from the sector, as well as many representatives from the European institutions to the historic Bibliothèque Solvay (picture top right).

On the occasion, departing ESIA President Klaus Meder (Robert Bosch, picture centre right) addressed the audience as his mandate drew to a close, expressing his gratitude for an “exciting time”. He then introduced his successor at the helm of the association Jens Knut Fabrowsky (also Robert Bosch, pictured top left) who welcomed guests from across the EU as the new ESIA President.

Lastly, ESIA was happy to be joined by Carl-Christian Buhr, Deputy Head of Cabinet for Commissioner for Digital Economy & Society Mariya Gabriel (pictured bottom right) during the Reception & Gala Dinner. Mr Buhr gave the key note speech to audience members.

High-resolution photos of the ESIA Reception & Gala Dinner 2017 can be viewed & downloaded here.
## Upcoming Events & ESIA Internal Meetings

**UPCOMING EVENTS**

<table>
<thead>
<tr>
<th>Date 2017/2018</th>
<th>EVENTS</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>19-23 March 2018</td>
<td>DATE 2018</td>
<td>Dresden</td>
</tr>
<tr>
<td>10 April 2018</td>
<td>Digital Day 2018</td>
<td>Brussels</td>
</tr>
<tr>
<td>10-11 April 2018</td>
<td>CS International Conference</td>
<td>Brussels</td>
</tr>
<tr>
<td>26 April 2018</td>
<td>Governance of emerging nano-risk in the semiconductor industry</td>
<td>Brussels</td>
</tr>
<tr>
<td>23-24 May 2018</td>
<td>ITF Belgium 2018</td>
<td>Antwerp</td>
</tr>
<tr>
<td>18-22 June 2018</td>
<td>ECSEL Symposium 2018</td>
<td>Brussels</td>
</tr>
<tr>
<td>25-26 June 2018</td>
<td>Digital Assembly 2018</td>
<td>Sofia</td>
</tr>
</tbody>
</table>

**ESIA Internal Meetings/WSC**

<table>
<thead>
<tr>
<th>Date 2017/2018</th>
<th>ESIA Internal Meetings/WSC</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 March 2018</td>
<td>Competitiveness &amp; Innovation Committee</td>
<td>Brussels</td>
</tr>
<tr>
<td>21 March 2018</td>
<td>Council Meeting</td>
<td>Brussels</td>
</tr>
<tr>
<td>22 March 2018</td>
<td>International Trade Committee</td>
<td>Brussels</td>
</tr>
<tr>
<td>17 April 2018</td>
<td>Intellectual Property Committee</td>
<td>Brussels</td>
</tr>
<tr>
<td>18-19 April 2018</td>
<td>Environment, Safety &amp; Health Committee</td>
<td>Brussels</td>
</tr>
<tr>
<td>22-25 May 2018</td>
<td>WSC 2018</td>
<td>San Diego, CA</td>
</tr>
</tbody>
</table>

*The dates of these meetings & events are subject to change!*
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 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.

ESIA Secretariat

Hendrik Abma
Director General
hendrik.abma@eusemiconductors.eu

Shane Harte
Sustainability & Environment Safety and Health Manager
shane.harte@eusemiconductors.eu

Giovanni Corder
Trade & Statistics Manager
giovanni.corder@eusemiconductors.eu

Christian Lorenzen
Communication Advisor
communication@eusemiconductors.eu

Isabelle Damman
Management Assistant
secretariat@eusemiconductors.eu

www.eusemiconductors.eu

Membership Benefits

1. Be represented at the European Institutions, WTO, WCO, WIPO and national & regional public institutions as well as with relevant stakeholders both European and international;

2. Benefit from ESIA’s involvement in the development of policies at the European level (e.g. European Commission’s New Electronics Strategy, Key Enabling Technologies Initiative...);

3. Be informed/represented in the World Semiconductor Council and receive analysis on the Government/Authorities Meetings on Semiconductors;


5. Receive statistical information on key indicators of the Semiconductor industry in Europe

6. Receive a monthly Newsletter with the latest information on EU policy developments.

MEMBERS