
Final declaration on the foundation of an European Semiconductor Regions Alliance

10-point paper
for the foundation of the European Semiconductor Regions Alliance (ESRA)
on September 7, 2023 in Brussels

The European Semiconductor Regions Alliance (ESRA), an alliance of European regions with proven semiconductor industries including suppliers and strong research and development, has come together to promote the importance of the semiconductor industry for the economic development of our regions, countries and Europe as a whole.

The aim of the planned alliance is to promote the growth and competitiveness of the semiconductor industry in our regions and in Europe by sharing knowledge and best practices, fostering collaboration and innovation, supporting the development of strong, integrated and resilient value chains, and reducing unilateral dependencies, especially for critical raw materials. The supply of semiconductors secures European industrial production as a whole.

The Alliance sees itself as a regional platform and partner of the European Commission in the implementation of the European Chip Act and wants to make an active contribution to strengthening Europe as a semiconductor location in global competition.

The members of the Alliance of European Semiconductor Regions adopt the following goals at their founding meeting on 07/09/2023 in Brussels:

1. Ensuring the best possible and innovative support as well as competitive framework conditions for the regions within the framework of the European Chips Act against the background of the extraordinarily high capital intensity of the semiconductor sector and long-term definition of funds to increase European semiconductor production in the Multiannual Financial Framework of the European Union; the member regions will accordingly take this stand vis-à-vis their central governments and the European Commission;
2. Achieve the greatest possible flexibility and speed in the examination and granting of state aid in the semiconductor industry for semiconductor production facilities and upstream and downstream value-added stages; the member regions call on the European Commission to interpret the "first of a kind" criterion broadly;
3. Further expansion of research and development and promotion of the networking of research institutions in and between the various regions in order to further enhance Europe as a location for research and development activities in the semiconductor industry as a whole and to expand existing unique technological features; in addition to infrastructure investments in the regions, the initiation of joint research projects is also intended to promote new technologies and innovations "Made in Europe", including those that are climate-friendly and conserve natural resources;
4. Development and implementation of solution approaches for a more sustainable production of semiconductors within the framework of the European Green Deal; this requires the reduction of environmental impacts as well as the consumption of natural resources (water, raw materials) by the semiconductor industry as a resource-, energy-

and water-intensive industry in the production process, the expansion of renewable energies on site as well as climate-friendly transport routes;

5. Securing sufficient water and energy supply at production sites as well as supply of all necessary, in particular strategic and critical raw materials; the member regions advocate diversified procurement and recycling of raw materials and precursors and, if necessary, the establishment of interconnected networks (energy, water) at the European level, precautions against supply chain disruptions as well as an amendment of the EU chemicals regulations and its implementation. The planned ban on specific chemicals would jeopardize the continued existence of the semiconductor industry. The EU must therefore ensure reliable framework conditions in this area as well;
6. Cooperation in the field of talent development as well as education and training of specialists through retraining and further education measures and university cooperations, in the recruitment of non-European specialists as well as European and international university cooperations to strengthen a European labour market in the field of semiconductor production, including the upstream and downstream value chains; the members are jointly committed to the establishment of a "European Semiconductor Academy" and a new Knowledge and Innovation Community (KIC) "Semiconductor";
7. Maintain and intensify cooperation among existing clusters to also enable and better promote cross-regional and cross-state cooperation and industry corridors; for bundling common interests of the semiconductor sector the silicon Europe Alliance SEA should act as a bridge between the involved stakeholders and ESRA.
8. Holding joint events in cooperation with industry players to bring together industry, research, development, educational institutions, decision-makers, talent and international stakeholders across regions, explore new collaborations and deepen mutual understanding and trust;
9. Bundling, articulation and representation of common interests of the member regions vis-à-vis the European Commission and the EU institutions; communication vis-à-vis the public on the strategic importance of the semiconductor industry for the European Union and its member states as well as on the necessity of possible state interventions; furthermore, the alliance should further develop the international networking of the regions in a goal-oriented manner and explore possible partnerships with third countries. In the international context, the focus is on cooperation with partners and like-minded states;
10. Networking and coordination of the participating regions at working level to support and achieve the goals of the alliance. This should include networking with other industry associations and European groups for which the semiconductor industry or even just parts of the value chain are important. An example of this is the Solar Industry Regions Europe network. The working methods of the alliance are laid down in a separate dossier.

Political context:

Today, the semiconductor industry serves almost all markets. Semiconductors are built into laptops, smartphones, cars or refrigerators and are needed in the areas of communication, production, health, energy and defense. 90% of the most modern chips currently come from Taiwan, South Korea and increasingly from China. The Covid-19 pandemic has highlighted the strong dependence of the European industry in particular due to supply chain disruptions and the resulting global chip shortage.

Against the backdrop of Europe's insufficient semiconductor resilience, high supply chain sensitivity and high dependence on semiconductor imports, the European Commission proposed on February 8, 2022 a comprehensive package of measures to strengthen the EU's semiconductor ecosystem - the European Chips Act (ECA). The Commission aims to increase Europe's market share in global chip manufacturing from the current level of just 10% to as much as 20% by 2030. To achieve this, the Commission intends to mobilize public and private investment of up to EUR 43 billion.

The ECA was accepted as a proposal by the Commission with great approval by the institutions. The European Committee of the Regions accompanied the process and pointed out the importance of the ECA for securing Europe as an industrial location. The European Parliament in Strasbourg approved the ECA with an overwhelming majority on July 11, 2023. Likewise, the Council of Ministers approved the project on July 25, 2023. The Act is intended to promote the production of microchips in the EU and thus make it less dependent on other markets such as Asia or the USA. The European Chips Act still has to be approved by the member states before it can come into force.

Perspective of the regions:

The success of the ECA is crucial for the EU, because without a secure supply of semiconductors in all regions of Europe, a functioning industrial production is not possible. We cannot make up for investments that we do not make now, because semiconductor companies will then have set up production facilities outside Europe. Local and regional authorities have a major, common interest in a secure semiconductor supply. This relates in particular to the required quantities of electricity and grid stability, as well as water supply; they are a location factor for existing plants, but above all also for intended new settlements, and are additionally exposed to the challenges of the energy turnaround. Because of their proximity to semiconductor ecosystems, regions should have a central role in ECA implementation.

For regions where semiconductor clusters already exist, the semiconductor industry makes a crucial contribution to economic development, at the same time strengthening industrial production in all regions of Europe. With further technological advances, the importance of this key industry will continue to grow. Strengthening the semiconductor industry is therefore of central importance for the regions in order to drive their development and competitiveness forward.

What ESRA offers:

On the initiative of the Free State of Saxony, the future members want to establish an Alliance of Semiconductor Regions (ESRA) – a political network of regions for the exchange of the semiconductor and microelectronics industry. The ESRA foundation is intended to have a strong signal effect. It is to bundle the positions and common interests of the European semiconductor regions and represent them effectively vis-à-vis the EU institutions within the framework of the

implementation of the ECA. An association of the regions will increase the chances of the local and regional authorities to take a central formative role at EU level in the implementation of the ECA.

According to the Information Technology and Innovation Foundation (ITIF), each segment of the global semiconductor value chain includes an average of 25 countries involved in the direct supply chain. Raw material extraction and procurement is global and subject to multiple influences. For the EU to sustain its position in the semiconductor market, partner countries should work more closely together and explore cooperation potentials. This requires cooperation between scientists, researchers and engineers from the clusters in the respective countries. The alliance should therefore also serve as a platform to link international and national companies, universities, government agencies, research institutions and public-private research consortia and to promote the establishment of international semiconductor partnerships with like-minded countries.

ESRA will thus make an important contribution to achieving the objectives defined by the Commission within the framework of the ECA.



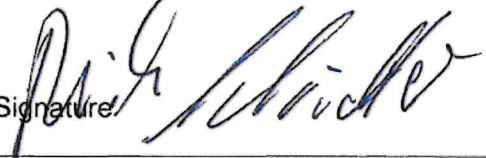
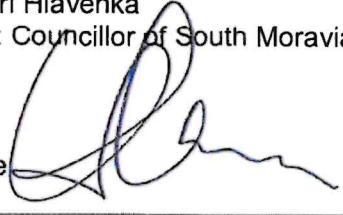
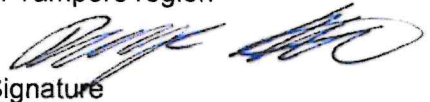
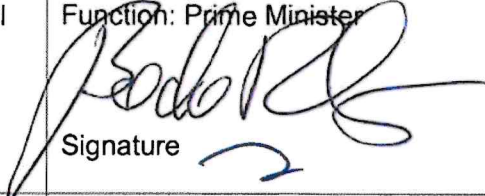

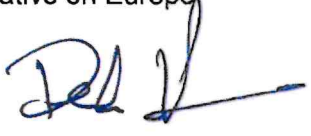
Annex:

Document on the working and organisational structure

By signing this document, I agree with the 10-point paper as well as with the annexed document on the working and organisational structure, I recognise the importance of the semiconductor industry for the economic development of our countries, regions and Europe as a whole and wish to further promote and deepen the cooperation between our regions. Therefore, I hereby declare the participation of my region in the foundation of the European Alliance of Semiconductor Regions (ESRA).

Signed initially in Brussels on 7 September 2023, in English.

<p>For the region of Andalusia Name: Amelia Martinez Sanchez Function: Deputy Minister of Economy, Finance and European Funds</p> <p>Signature </p>	<p>For the region of Baden-Wuerttemberg Name: Winfried Kretschmann Function: Prime Minister</p> <p>Signature </p>
<p>For the region of the Basque country Name: Marta Marin Function: Delegate to the EU</p> <p>Signature </p>	<p>For the region of Bavaria Name: Karolina Gernbauer Function: State Councillor</p> <p>Signature </p>
<p>For the region of Catalonia Name: Albert Castellanos Function: Secretary of Business and Competitiveness at the Government of Catalonia</p> <p>Signature </p>	<p>For the region of Centro Name: Eduardo Anselmo de Castro Function: Vice-President of CCDRC-IP</p> <p>Signature </p>
<p>For the region of Flanders Name: Jan Jambon Function: Prime Minister</p> <p>Signature </p>	<p>For the region of Flevoland Name: Jurie van den Berg Function: Regional Minister European Affairs</p> <p>Signature </p>
<p>For the region of Hesse Name: Patrick Burghard Function: State Secretary for Digital Strategies and Development</p> <p>Signature </p>	<p>For the region of Ireland Name: Toby Sainsbury Function: Principal Officer – Artificial Intelligence & Future Manufacturing Ireland</p> <p>Signature </p>
<p>For the region of Piedmont Name: Andrea Tronzano Function: Minister for Economic Development and Finance</p> <p>Signature </p>	<p>For the region of Saarland Name: David Lindemann Function: Head of the State Chancellery</p> <p>Signature </p>

<p>For the region of Saxony Name: Michael Kretschmer Function: Prime Minister</p> <p>Signature </p>	<p>For the region of Saxony-Anhalt Name: Reiner Haseloff Function: Prime Minister</p> <p>Signature </p>
<p>For the region of Schleswig-Holstein Name: Dirk Schröder Function: Head of the State Chancellery</p> <p>Signature </p>	<p>For the region of South Moravia Name: Jiří Hlavenka Function: Councillor of South Moravia</p> <p>Signature </p>
<p>For the region of Tampere Name: Roope Lehto Function: President of the regional council of Tampere region</p> <p>Signature </p>	<p>For the region of Thuringia Name: Bodo Ramelow Function: Prime Minister</p> <p>Signature </p>
<p>For the region of Valencia Name: Felipe Carrasco Torres Function: Vice Minister of Industry, Trade and Consumer Affairs</p> <p>Signature </p>	<p>For the region of Wales Name: Derek Vaughan Function: Director, Welsh Governments Representative on Europe</p> <p>Signature </p>

Foreseen for signature:

<p>For the region of Auvergne-Rhône-Alpes Name: Stéphanie Pernod Function: First Vice-President in charge of the Economy, Reshoring, Regional preference and Digital</p> <p>Signature</p>	<p>For the region of Carinthia Name: Peter Kaiser Function: Governor</p> <p>Signature</p>
<p>For the region of Hamburg Name: Peter Tschentscher Function: First Mayor</p> <p>Signature</p>	<p>For the region of Helsinki Name: Markku Markkula Function: President Helsinki Region</p> <p>Signature</p>
<p>For the region of Lower Saxony Name: Stephan Weil Function: Prime Minister</p> <p>Signature</p>	<p>For the region of North-Brabant Name: Martijn van Gruijthuisen Function: Minister of Economics</p> <p>Signature</p>
<p>For the region of Styria Name: Christopher Drexler Function: Governor</p> <p>Signature</p>	<p>For the region of Lower Saxony Name: Michael Freiericks</p>