

## SEMI Europe Advocacy

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### FEATURED IN THIS EDITION

#### **The measures in the European Economic Security Strategy to be announced soon**

On January 10, the EU Commissioner for the internal market Thierry Breton held a speech on the European Economic Security and competitiveness. In his speech taking place at the European Policy Centre he brought closer the evolution and the information about the proposed European Economic Security Strategy and its policy actions, which should be published on January 24<sup>1</sup>.

Breton mentioned that the Commission is finalising a collective risk assessment with the Member States about the level and nature of the risks connected with the 4 key technologies – advanced semiconductors, AI, quantum and biotechnologies. After this detailed assessment the Commission should consequently announce the potential measures. Among the most discussed policy actions are improving the functioning of the FDI screening and export control systems as well as setting up the outbound investment screening mechanism. This should be done in the name of preventing the risks to technological leakage, military use of dual-use technologies and strengthening the EU economic security.

The policy actions from the strategy announced last year in June, should be announced in the coming weeks. The EU Commissioner Breton added that the implementation of the strategy is not going to be only about the protective measures and that Europe needs to stay open for

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<sup>1</sup> <https://www.euractiv.com/section/global-europe/news/rough-waters-ahead-in-2024-and-the-eu-needs-to-get-ready/>

international trade. He also stressed the need for enhancing cooperation while mentioning examples of the recently concluded 9 partnerships on raw materials and 4 digital partnerships.

### **Belgium published its priorities in the presidency programme**

The arrival of the new year brings the entrance of Belgium as the leading European country in charge of the EU agenda for the next six months. Taking over the presidency from Spain, Belgium will preside over the sessions of the European Council, arrange informal meetings, and advocate for its priorities outlined in a presidency program during the period from January 1 to June 30. Among the key parts of its programme for the semiconductor industry will especially be the policies related to industry, trade and R&D.

In the presidency programme Belgium stressed the importance of strengthening the European industrial policy by evaluating of instruments such as IPCEI (Important Project of Common European Interest), cluster collaboration, InvestEU and EIC (European Innovation Council). It will be essential to complete the Net-Zero Industry Act, a legislation that does not explicitly include the semiconductor industry, but does not preclude its inclusion in the future either. Simultaneously, Belgium highlights the need to establish a modernization framework for intellectual property.

When it comes to trade policies, the presidency will put emphasis on securing access to critical raw materials, innovative technologies as well as diversification of the EU supply chains. Belgium will also take forward the FDI screening mechanism and implement the Economic Security Strategy. Within the R&D policy, the presidency aims to enhance the integration of science and industry while promoting international collaboration in research efforts.

The Belgian Presidency will need to complete the opened legislative files before the European elections taking place in between 6-9 June. At the end of its presidency, the country will hold federal elections on June 9. Following Belgium, Hungary will assume the presidency from July until the end of the year.<sup>2</sup>

### **POLITICO published SEMI comments on PFAS ban proposal**

SEMI Europe stressed its position towards the per- and polyfluoroalkyl substances (PFAS) ban in a POLITICO article. PFAS ban proposal was brought up by five European authorities in the beginning of 2023, arguing that these chemicals are polluting the human health and environment. SEMI Europe has submitted its position in September last year to the European Chemicals Agency (ECHA) asking for a derogation so the semiconductor industry could find and research the potential alternatives.

In the article SEMI Europe argues that the ban without sufficient derogation will decisively weaken the competitive position of the EU relative to competitors without similar restrictions. The PFAS chemicals are essential in manufacturing process along the supply chain. However, the derogation should cover not only manufacturing itself, but also the supply and value chains

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<sup>2</sup> [https://belgian-presidency.consilium.europa.eu/media/3kajw1io/programme\\_en.pdf](https://belgian-presidency.consilium.europa.eu/media/3kajw1io/programme_en.pdf)

necessary connected with semiconductor production. SEMI Europe stressed that 12-year period is not enough to come up with PFAS alternatives and asks for a longer derogation period.

ECHA received more than 6000 comments on PFAS ban from the stakeholders. All the comments will be now evaluated by ECHA's scientific committees for Risk Assessment (RAC) and Socio-Economic Analysis (SEAC), which will adapt their opinion. It is expected that it will be no longer that before the end of 2024.<sup>3</sup>

### **Council agrees its mandate on Strategic Technologies for Europe Platform**

At the session of the Member State Ambassadors in the format of COREPER II, taking place on January 10, the general approach on Strategic Technologies for Europe Platform (STEP) was endorsed. This will serve as a mandate for Council to negotiate the final shape of the STEP platform with the European Parliament. However, additional financial support for STEP will depend on the outcome of the mid-term review of the multiannual financial framework for 2021-2027.

The proposed platform should support investments in critical technologies such as deep tech, clean tech and bio tech in the EU and so reducing the EU dependencies and bolster its competitiveness. In the Council's mandate the Ambassadors clarifies the objectives and scope of STEP as well as confirms its support for the proposed sovereignty seal. Furthermore, they propose resources to support STEP objectives coming from existing EU programs and funds such as InvestEU, Horizon Europe, European Defence Fund, Innovation Fund, Recovery and Resilience Facility and cohesion policy funds.

The STEP platform aims to boost the EU's long-term industrial competitiveness as a reaction to the US Inflation Reduction Act. The EU Commission President Ursula von der Layen announced the European Sovereignty Fund in her 2022 State of the Union address. The STEP could be adopted after the Council reaches an agreement with the European Parliament within the trilogue negotiations.<sup>4</sup>

### **European Commission approved a RESCHIP4EU project**

European Commission through its funding program Digital Europe approved a RESCHIP4EU project coordinated by EIT Digital with participation of SEMI Europe. The project will focus on designing and delivering of double-degree master's programme in the field of semiconductors as well as related self-standing modules to be delivered both on-line and in-person.

The project is expected to start in June 2024, in order to have Master students enrolled in September 2025. RESCHIP4EU is a long term projects lasting for almost 6 years with vision to bring a new generation of experts that will contribute to the development of European semiconductor industry.

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<sup>3</sup> <https://www.politico.eu/article/chemicals-ban-could-derail-eu-chips-plans-lobby-groups-warn/>

<sup>4</sup> <https://www.consilium.europa.eu/en/press/press-releases/2024/01/10/strategic-technologies-for-europe-platform-council-agrees-its-partial-negotiating-mandate/>

For feedback, get in touch with the SEMI Europe Advocacy Team at [euadvocacy@semi.org](mailto:euadvocacy@semi.org).



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