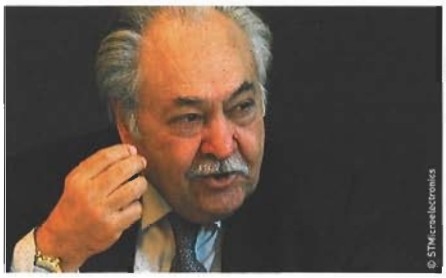
Investing in Europe's future

Over the last two decades, Pasquale Pistorio has championed the cause of Europe's microelectronics industry. Recently retired as CEO of STMicroelectronics, and tireless promoter of the EUREKA Clusters JESSI, MEDEA and MEDEA+, he now looks to his latest challenge as Chairman of the ENIAC Technology Platform for Nanoelectronics. *EUREKA News* asked this passionate entrepreneur to expand on his vision of European research.



What is the situation of the European electronics industry today?

Those who, not so long ago, predicted the death of Europe's electronics industry have been constrained to revise their judgment. Whilst no one denies that Europe lags in some areas such as computing systems and consumer electronics, the leadership of Europe remains undisputed in other key industries – wireless telecommunications and automotive electronics are just two prominent examples. The current configuration is therefore very competitive as demonstrated by the success of applications such as GSM, xDSL and DVB where semiconductors manufacturers joined forces to decrease the time to market and improve their positioning on the global market. When European industry is united behind a common goal, its potential is tremendous.

Five years after the launch of the Lisbon Strategy, how do you assess the progress made by the EU?

I would like to stress the enormous achievements of the past decade – the creation of the single market, the launching of the euro, the fifth EU enlargement and the drawing up of a European Constitution have not been easy tasks! This says a lot about Europe's capacity to constantly reform its model of governance and, in this perspective, I am quite confident that Europe will manage to reach the objectives set in Lisbon. With that said, urgent measures still require our attention, including the completion of the Internal Market, the development of transport and communication infrastructures and market liberalisation. But the most important, in my view, is the investment in innovation in order to reach the 3% objective defined in Barcelona as soon as possible. The challenge of competitiveness is truly huge for Europe. The model of society we have collectively chosen – based on universal access to education, healthcare, pension and unemployment entitlements – depends on our economic dynamism and ability to create growth.

Since its inception in 1987, STMicroelectronics has established itself amongst the leading chip manufacturers worldwide. What is the key to this success?

STMicroelectronics is a very proud European company, but our vocation has always been the world market. This means that we seize every single opportunity to develop our activities and create growth. Let's take China for example, probably one of the world's leading economic engines. In 2004, China represented 20% of our sales.

However, market orientation is not all. The success of STMicroelectronics rests on three guiding principles:

1. The development of strategic alliances with major information and communication technology (ICT) suppliers such as Bosch, Nokia and Alcatel;

2. An integrated approach to the product, which goes from research to development, architecture and marketing;

3. A strong commitment to Total Quality Management methods.

Finally, our firm's five major applications priorities which were decided in 1997 – computer peripherals, consumer digital applications, automotive, wireless communications and smart cards – have proved to be a winning strategy.

What are the main achievements of EUREKA ICT Clusters since the launch of JESSI in 1989?

The merit of EUREKA and its Clusters is to demonstrate two things that are not necessarily self-evident. First, competing companies are willing to co-operate under common objectives if this co-operation leads to faster technological achievements and return on investment. Second, public money is best used when it supports 'bottom-up' initiatives which remain somehow controlled from the top. Despite the scepticism of some, this method has proved successful. Armed with this observation, I think EUREKA and the trilogy – JESSI-MEDEA-MEDEA+ – have been outstanding instruments in the establishment of a strong, competitive and innovative European microelectronics sector. When JESSI was created in 1989, its main goal was to regain lost ground from its Asian and US competitors. In fact, many considered the European microelectronics industry as dead. Fifteen years later, not only is the European microelectronic industry still alive, but it is also competitive with no less than three European semiconductor manufacturers in the world's top ten.

EUREKA is a European network for market-oriented R&D. Its aim is to strengthen European competitiveness by promoting market-driven collaborative research and technological development. The EUREKA initiative enables industry, universities and research institutes from 35 member countries and the EU to collaborate in a 'bottom-up' approach to developing and exploiting innovative technologies.

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EUREKA Secretariat, Rue Neerveld 107
B-1200 Brussels, Belgium
Tel: +32 2 777 09 50
Fax: +32 2 770 74 95
For subscription enquiries, please email:
eurekanews@eureka.be
www.eureka.be