European
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Europe must turn semiconductor ambition into industrial reality

Brussels, 3 June 2026 – The European Semiconductor Industry Association (ESIA) today welcomed the European Commission's publication of the Tech Sovereignty Package, including the Chips Act 2, as an important next step toward strengthening Europe's technological resilience and industrial competitiveness. The renewed focus on industrialisation and demand creation will help set the right framework conditions.

Building on the foundations of the original 2023 EU Chips Act, the new package recognises the rapidly changing geopolitical and technological environment, the strategic importance of semiconductors – including foundational technologies –, and the decisive role chips will play in the future of artificial intelligence, energy, defence, mobility, and industrial automation. ESIA particularly welcomes the Commission's growing emphasis on Europe's full semiconductor ecosystem, stronger demand-side measures, and supply-chain resilience.

However, ESIA stresses that Europe's semiconductor strategy must now move decisively from political ambition to industrial execution. A key tenet going forward will be to turn ambition into market reality and create the right framework conditions for the semiconductor ecosystem.

"*Europe cannot regulate its way into semiconductor leadership*", says Erik Rein, ESIA President and Executive Vice President and Board Member Mobility Electronics responsible for semiconductor business at *Bosch*. "*The global semiconductor race will be won by those who innovate fastest, industrialise fastest, and create the strongest market demand. The Chips Act 2 must become a true industrial competitiveness strategy that enables Europe to build strong industries.*"

The Commission's recognition that Europe must strengthen its position in AI-related semiconductor technologies comes at a critical moment. "*There is no European AI sovereignty without European semiconductor sovereignty*", Mr Rein added. "*The future of AI will happen in factories, cars, hospitals, energy systems, and industrial infrastructure. Europe already has many of the technological foundations needed to lead this transformation.*"

ESIA believes Europe has a unique opportunity to lead in areas where it already possesses strong industrial capabilities, particularly Edge AI, power semiconductors, sensors, connectivity technologies, automotive electronics, robotics, and secure communications.

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ESIA also strongly supports broadening the concept of 'first-of-a-kind' (FOAK) projects beyond manufacturing fabs to a whole-of-ecosystem approach that involve end-user. Europe's semiconductor strength lies in its entire value chain, from research, design, equipment, and materials to product engineering and industrial co-development. A narrow fab-focused approach may have helped with supply security concerns, but is not enough for the semiconductor industry to thrive.

At the same time, Europe's competitiveness gap cannot be closed without a radical simplification of administrative procedures and framework conditions. Today, semiconductor projects in Europe remain significantly more expensive and slower to deploy than in competing regions. Lengthy permitting, fragmented regulation, state-aid complexity, energy costs, and inconsistent implementation across Member States continue to undermine investment attractiveness.

President of ESIA Erik Rein says: "*Industrial policy only works if it moves at industrial speed. Semiconductor innovation cycles move in months, not years. Europe cannot compete globally for tomorrow's technologies with yesterday's approval timelines.*"

The association also reiterates its call for a permanent and structured high-level dialogue between industry and policymakers within the European semiconductor governance framework, which the proposal does not fully concretise. "*Europe already has world-class semiconductor champions*", Mr Rein concluded. "*What Europe now needs is a world-class industrial policy environment. One that aligns innovation, industrial demand, investment, energy, trade and regulation into a single competitive strategy.*"

ESIA looks forward to engaging closely with the European institutions, Member States and industrial stakeholders as the legislative process advances.

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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 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.*