



## THE EU CHIPS ACT 2.0

Wednesday 6 May 2026

18h00 Cocktail – 18h30 Roundtable – 19h30 Dinner & Debate  
Members' Salon, European Parliament

*Organised in partnership with ESIA – The European Semiconductor Industry Association*



## INTRODUCTION BY THE PARLIAMENTARY HOST



João COTRIM DE FIGUEIREDO MEP (RENEW, Portugal) Industry,  
Research & Energy Committee  
(Points noted from the presentation)

Ladies and gentlemen,

Thank you all very much for being here this evening, and thank you as well to the organisers and industry representatives who helped make this discussion possible.

It is a great pleasure to host this Forum because I genuinely believe that the future Chips Act 2.0 will be one of the most important industrial and technological files debated during this parliamentary mandate.

Semiconductors are no longer a niche industrial topic. They are the foundation of almost every technological ambition which Europe currently has: from artificial intelligence and cloud computing to defence, automotive, energy systems, communications, and industrial digitalisation.

The first European Chips Act was, understandably, a crisis response. It emerged in the context of supply chain disruptions and geopolitical tensions, and it succeeded in placing semiconductors firmly on Europe's strategic agenda.

But crisis responses are not long-term strategies.

Chips Act 2.0 must therefore become something more ambitious, more coherent, and more strategic.

We also need to be realistic about the scale of the challenge we face.

For many years, Europe spoke about reaching twenty percent global semiconductor market share by 2030. Ambition is important, but ambition must also remain connected to economic and industrial reality. Recent estimates suggest that Europe may remain significantly below that target, and that should encourage us not to abandon ambition, but to rethink our priorities more strategically.

The reality is simple: Europe is competing in a global industry where investment levels are enormous.

While Europe discusses multiannual public envelopes in the tens of billions, the world's largest semiconductor players are investing several hundred billion euros over relatively short periods of time. Public funding alone will therefore never be sufficient to close the gap.

This means Europe must become much smarter about where and how it acts.

One structural weakness is that Europe regulates at continental level while much of the funding and industrial decision-making remains fragmented at national level. As a result, investments often follow the largest national subsidy rather than a genuinely coordinated European industrial strategy.

We also continue to lack a true single market in several areas that matter enormously for semiconductors.

A real European semiconductor market would require easier mobility for talent, better recognition of qualifications, more integrated energy systems, common industrial standards, and framework conditions that allow companies to scale efficiently across borders.

At present, many of these elements remain incomplete.

Energy costs are another major issue. European industry cannot remain globally competitive if energy prices continue to be significantly higher than those faced by competitors elsewhere.

At the same time, we should also acknowledge that Europe has often focused too heavily on supply-side subsidies while paying insufficient attention to demand creation.

Building fabrication plants and hoping demand will naturally emerge is not a sustainable industrial strategy. Europe must actively create ecosystems of demand by connecting semiconductor policy to sectors such as automotive, aerospace, industrial automation, defence, telecommunications, and AI infrastructure.

The objective should not simply be to manufacture more chips in Europe, but to ensure that European industries increasingly rely on and drive European technological ecosystems.

Similarly, the ‘First-of-a-Kind’ framework introduced under the first Chips Act was a useful starting point, but its scope remains too narrow. Future support mechanisms should better cover the broader semiconductor ecosystem, including materials, equipment, packaging, design, and midstream industrial capabilities.

More fundamentally, I believe Europe should rethink how it defines success in this sector. The objective should not necessarily be self-sufficiency or isolation. In a global economy, that is neither realistic nor desirable.

Instead, Europe should aim for indispensability.

Europe already holds globally strategic positions in areas such as lithography, advanced research, and specialised industrial capabilities. These are areas where Europe possesses genuine leverage and where the rest of the world depends on European expertise and technology.

Our strategy should therefore focus on reinforcing and expanding these strategic strengths — these technological “choke points” where Europe remains globally essential.

At the same time, the industry itself is evolving rapidly.

For example, in artificial intelligence, the centre of gravity is gradually shifting from training infrastructure toward inference computing and edge applications. Europe already has important strengths in low-power and industrial inference technologies, and these are areas where we may be able to compete more effectively than by attempting to replicate ecosystems that others have spent decades building.

Finally, public investment can certainly play a role in supporting strategic projects, including through equity participation where appropriate. But public intervention should remain disciplined, targeted, and designed to mobilise private capital rather than replace it.

Europe does not lack talent, research capacity, or industrial capability.

What we often lack is strategic focus, scale, coordination, and the willingness to create the conditions necessary for long-term competitiveness.

I hope tonight's discussion will help contribute to that broader reflection.

It is now my pleasure to introduce Silvia Bartolini from the Cabinet of Vice President Henna Virkkunen.

## EUROPEAN COMMISSION KEYNOTE SPEECH

Silvia Bartolini, EUROPEAN COMMISSION, Cabinet Expert, Cabinet of Executive Vice-President Henna Virkkunen  
*(Points noted from the presentation)*

Thank you very much for the introduction, and thank you as well for inviting me to join this discussion this evening. It is particularly timely, as the Commission is currently finalising preparations for what will become the next phase of Europe's semiconductor strategy under the upcoming Technological Sovereignty Package.

Before focusing specifically on the future Chips Act, I would like to briefly place this discussion in a broader context. The Commission's approach to technological sovereignty is not limited to semiconductors alone. It reflects a wider ambition to strengthen Europe's ability to remain competitive, innovative, secure, and resilient in a rapidly evolving global environment.

Technological sovereignty does not mean isolation or protectionism. Europe remains firmly committed to openness, partnerships, and fair competition. At the same time, recent geopolitical developments have shown that Europe must also be capable of making its own choices when it comes to critical technologies and reducing excessive dependencies in strategically sensitive areas.

The Technological Sovereignty Package will therefore include several complementary initiatives designed to reinforce Europe's position across the digital and industrial value chain. Alongside the future Chips Act, the package will include work on cloud and AI infrastructure, open-source technologies, digitalisation of energy systems, and the development of secure and sustainable data centre capacity in Europe.

Semiconductors are naturally central to this broader agenda. The original European Chips Act, although still relatively recent, has already produced important results. It has helped mobilise significant investment in manufacturing capacity, supported the development of pilot lines and competence centres across Member States, strengthened coordination between national strategies, and encouraged investment in innovative European semiconductor companies and start-ups.

However, the environment in which we operate today has evolved considerably since the first Chips Act was conceived during the post-pandemic supply chain crisis.

First, geopolitical tensions have fundamentally changed the way countries approach critical technologies. Access to advanced semiconductors, manufacturing equipment, and strategic components can no longer be taken for granted. Technologies are increasingly becoming instruments of economic security, resilience, and geopolitical influence.

Second, the rapid acceleration of artificial intelligence is reshaping the semiconductor ecosystem itself. AI-related demand is becoming one of the main drivers of growth for advanced chips



globally, while Europe still has important gaps in certain high-end segments of the value chain. This evolution requires us to reassess how Europe positions itself for the next decade.

In this context, the future Chips Act will build on the foundations already established while adapting to new realities and emerging needs.

A first priority will be to reinforce Europe's existing strengths, particularly in areas where European industry already plays a leading role, including industrial semiconductors, equipment, power electronics, automotive applications, and advanced manufacturing capabilities. At the same time, Europe must also strengthen its position in more strategic and fast-growing segments linked to AI and next-generation computing.

Another key aspect concerns the overall business environment. Building and scaling semiconductor facilities in Europe remains more complex, more costly, and often slower than in competing regions. Simplifying procedures, accelerating permitting, improving infrastructure planning, and creating a more predictable regulatory environment will therefore be essential elements moving forward.

There is also increasing recognition that future policy cannot focus exclusively on the supply side. Supporting demand and creating stronger industrial ecosystems around semiconductor applications will be equally important. Europe has major industrial sectors – including automotive, robotics, telecoms, defence, energy, and advanced manufacturing – whose future competitiveness will depend heavily on access to advanced chips and AI-enabled technologies.

Strengthening resilience across the full semiconductor value chain will also remain central. This includes manufacturing, design, materials, equipment, packaging, and supply chain monitoring. One of the lessons learned in recent years is the importance of having better visibility and earlier warning mechanisms to anticipate potential disruptions before they become crises.

Finally, any future framework must strike the right balance between resilience, security, and competitiveness while avoiding unnecessary administrative burdens for industry. Close cooperation with industry stakeholders, Member States, and partners will therefore remain essential throughout the process.

The discussions taking place today are extremely valuable in that regard, and the input gathered from industry, policymakers, and stakeholders across the ecosystem will continue to help shape the direction of the future initiative. I look forward to the discussion this evening.

## OPENING INDUSTRY VIEW

Matthias Illing, ROBERT BOSCH, Senior Expert Public Funding Consortia and Geopolitics

I am speaking today on behalf of the European Semiconductor Industry Association. Semiconductors sit at the core of Europe's economy.

They power our cars, factories, energy systems, and increasingly our digital and security infrastructure. Without them, there is no digital or green transition, and no competitive European industry.



The EU Chips Act marked an important turning point. It mobilised investment and helped bring chip manufacturing projects back to Europe. Today, fabs [fabrication facilities/plants] are being built. This is a real achievement.

But building fabs is only the first step. The key question now is whether these investments will translate into long-term competitiveness. What matters is whether the newly built capacity is used and connected to real markets.

For the Chips Act 2, we see three core objectives:

- improve framework conditions for businesses
- stimulate demand
- increase value chain resilience.

- Framework Conditions for Business

Here, speed is crucial: our industry competes globally, and the global semiconductor landscape is moving very fast; investment decisions are taken on tight timelines.

Europe still faces challenges: lengthy permitting, complex procedures, and fragmented regulation. Addressing these is essential to remain competitive.

Europe urgently needs to improve framework conditions across the entire semiconductor ecosystem - from suppliers to end-users. This means reducing bureaucratic burden, simplifying state aid rules, streamlining permitting and approval procedures, and reducing regulatory obstacles.

Improving framework conditions is also a precondition for competitiveness, but also for demand to materialise and be sustained.

This requires a holistic approach to reduce regulatory fragmentation across Member States, lower energy costs, improve infrastructure quality, address skills and talent shortages, and reduce bureaucracy overall.

Specifically, we call on the Parliament to support a balanced approach to the management of PFAS in our industry when scrutinizing the final text of the PFAS restriction. Indeed, PFAS remain essential in semiconductor manufacturing equipment and in key production processes as well as in final chip products. The industry is working to find alternative solutions for replacement and treatment of the rejection, however this will require time above the 13 years.

- Stimulate Demand  
Europe has strong positions in key sectors – automotive, industrial systems, energy, and emerging areas such as AI-enabled applications and advanced connectivity. These sectors are also major drivers of semiconductor demand.

However, demand in Europe risks eroding, if Europe does not act now.

Strengthening the link between semiconductor production and these industries is essential - through closer value chain cooperation and ensuring innovation translates into real products in Europe.

In this context, incentivising European demand for European chips across all industrial end-user segments must be a key objective, requiring a new ecosystem approach and carefully designed demand measures, also linked to economic security considerations.

A key element in this context is the notion of trusted suppliers of chips. Beyond compliance with technical standards, trust in semiconductor supply chains also depends on factors such as ownership, control, and the location of executive management.

For critical and strategic applications, including critical infrastructure, Europe should consider how to promote the use of chips sourced from suppliers operating within trusted jurisdictions, ensuring resilience against non-market risks and external pressures. This can be supported through targeted policy tools, including public procurement and incentives in strategic projects and segments.

Additionally, encouraging end-user industries to jointly develop products with European chip makers must be a key priority. Such an ecosystem approach should be supported by an agile, fast and flexible state aid regime, helping to fill the gap between pre-competitive R&D and manufacturing project funding.

At the same time, Europe must address the full semiconductor ecosystem - from research and innovation to manufacturing, materials, equipment, and system integration.

Equally important will be strengthening Europe's footprint in design, alongside manufacturing, as part of a balanced ecosystem.

- Increase Resilience

Resilience is also central. The semiconductor industry is global, and Europe should remain open and engaged, but recent disruptions have shown the need to reduce critical dependencies.

This means securing design, R&D, innovation, IP creation and advanced manufacturing capacities in Europe, guided by market needs, and accelerating innovation-to-market cycles, especially in connectivity, edge or physical AI, cloud AI and robotics.

In this context, I would like to reiterate that strengthening trusted suppliers of chips is important, particularly for critical applications and public infrastructure, while remaining globally open. We expect that the Chips Act can serve to define first steps in those directions.

Europe is strong in research, but too often innovation is scaled elsewhere. Closer links between research, pilot lines, and production can help ensure that innovation leads to manufacturing in Europe. Smaller companies and new entrants should also be better supported to grow and integrate into industrial ecosystem.

Finally, none of this is possible without people. We depend on highly skilled engineers, technicians, and researchers, and skills shortages are already a constraint. Investing in education, training, and talent attraction is therefore essential.

## Conclusion

Europe has strong foundations in semiconductors: leading companies, excellent research, and a diverse industrial base.

The next step is to turn these strengths into lasting competitiveness - by connecting supply with demand, strengthening the ecosystem, improving framework conditions, and supporting innovation from research to market.

Above all, it requires working together - EU institutions, Member States, and industry - in a pragmatic and coordinated way.

If we get this right, Europe can secure a strong position in the global semiconductor landscape. The European semiconductor industry stands ready to contribute to this effort.

## MEP VIEWS

Oliver SCHENK MEP (EPP, Germany) ENVI & ITRE Committees

I am pleased to contribute to this important discussion on the future of Europe's semiconductor strategy.

As many of you know, I come from Saxony, one of Europe's leading semiconductor regions and a place with a long industrial and research tradition in microelectronics. Over the past decades, our region has developed into one of the most important semiconductor clusters in Europe.



What started with early investments in the 1990s has evolved into a complete ecosystem bringing together research institutions, suppliers, manufacturers, infrastructure providers, startups, and industrial users. Today, companies such as Infineon, GlobalFoundries, Bosch, and TSMC are investing heavily in our region, demonstrating that Europe remains an attractive location for advanced semiconductor manufacturing when the right conditions are in place.

This experience also illustrates an important reality: semiconductor policy cannot be separated from industrial policy, infrastructure policy, energy policy, and regional development.

Allow me therefore to focus on several priorities that, in my view, should guide the future Chips Act 2.0:

- Europe must strengthen the entire semiconductor value chain.

Semiconductor production is not a single industry segment – it is a highly interconnected ecosystem. Europe already has strong positions in several areas, particularly in industrial semiconductors, equipment, power electronics, and manufacturing technologies. We should continue building on these strengths.

At the same time, we must address existing bottlenecks, notably in advanced packaging, chip design, and intellectual property. Europe does not need to produce every type of chip, but it must have sufficient capabilities in strategic segments to avoid excessive dependencies that could affect our competitiveness, resilience, or security.

- Europe needs globally competitive framework conditions.

This point is essential. Semiconductor facilities require enormous amounts of infrastructure, planning, energy, water, logistics, and industrial land. These projects cannot simply be placed anywhere. They depend on long-term industrial ecosystems and reliable public infrastructure.

If Europe wants to attract future investments, we must significantly improve the environment for industrial projects. This means faster permitting, simplified procedures, clear timelines, better coordination between authorities, and more predictable funding decisions.

In the global semiconductor race, speed matters. Delays of several years are no longer acceptable if Europe wants to remain competitive internationally.

- Europe needs predictable and strategic financing.

Semiconductor investments are extremely capital intensive, long-term, and high-risk. Chips Act 2.0 should therefore include stronger and more coordinated European financing instruments capable of mobilising private investment across the full value chain.

Public support should be used strategically, not to replace private investment, but to accelerate it, reduce critical dependencies, and strengthen Europe's industrial base.

- Europe should make better use of demand-side instruments.

Europe should not only focus on producing more chips. We should also think strategically about how European demand can support European technologies and innovation.

Artificial intelligence infrastructure, cloud computing, high-performance computing, defence technologies, telecommunications, and industrial digitalisation will all create enormous future demand for semiconductors. Public investment in these sectors should contribute, wherever possible, to strengthening European technological capacity and supporting innovative European companies.

This is particularly relevant when discussing the future development of AI infrastructure and large-scale computing capacity in Europe. We should ensure that public investment also helps European start-ups and scale-ups grow and compete globally.

- Finally, Europe needs a stronger cluster-based approach.

Semiconductor ecosystems thrive through concentration, cooperation, and specialization. Strong regional clusters create the environment where innovation, manufacturing, suppliers, infrastructure, and talent can reinforce one another.

Europe should therefore encourage cooperation between semiconductor regions rather than fragmented national approaches. Existing initiatives such as the European Semiconductor Regions Alliance demonstrate the value of cross-border coordination and should be further strengthened.

Europe does not need twenty-seven isolated semiconductor strategies. It needs interconnected European value chains built on cooperation, complementarities, and shared strategic priorities.

## In Conclusion

The semiconductor race is not only about market share. It is about industrial strength, technological leadership, economic resilience, and political autonomy.

The future Chips Act must therefore be more than a technical revision. It must represent a long-term political commitment to Europe's industrial future.

Europe cannot afford to remain in a situation where shortages of critical technologies can disrupt our industry or weaken our strategic position. If Europe wants to remain a global industrial power, then Europe must also act with the ambition and determination of one.



Bart GROOTHUIS MEP (RENEW, Netherlands) INTA & ITRE Committees

Thank you to the European Commission, Silvia and Pierre, for the work being done on these files.

I recently returned from Japan together with colleagues from the Industry Committee, where we visited several semiconductor facilities, including Rapidus in Hokkaido. It was a fascinating visit and a useful reminder of the scale of ambition currently unfolding globally in the semiconductor race.

What struck me most during these discussions was one central question: where will the long-term demand come from?

This is, in my view, one of the most important issues Europe must address if we want Chips Act 2.0 to succeed. Public investment alone is not enough. Semiconductor manufacturing at the most advanced nodes requires a sustainable business case supported by strong and predictable demand.

That is why demand creation must become a central pillar of Europe's semiconductor strategy.

Europe has focused significantly on supply-side measures over recent years, but we now need to pay equal attention to the ecosystems that will generate long-term European demand for advanced chips. This includes artificial intelligence, cloud infrastructure, high-performance computing, defence, industrial digitalisation, and next-generation connectivity.

At the same time, we should be realistic about where Europe can create the greatest economic value.

Of course, advanced manufacturing matters enormously. However, Europe's future competitiveness will also depend heavily on design capabilities, fabless companies, software ecosystems, and AI innovation. These are areas where much of the future value creation in semiconductors will occur.

In particular, Europe must ensure that innovative companies developing AI systems and advanced computing technologies are able to grow and scale here in Europe. If the regulatory or investment environment becomes too difficult, these ecosystems will simply develop elsewhere.

Another important issue concerns strategic resilience.

Recent geopolitical developments have demonstrated the importance of reducing excessive dependencies in critical technologies and ensuring that Europe maintains access to advanced semiconductor production capacity. Diversification, resilience, and trusted partnerships must therefore remain central objectives of European industrial policy.

However, achieving this requires more than subsidies alone. The first Chips Act was developed in a moment of crisis and understandably focused on rapidly strengthening manufacturing capacity. Chips Act 2.0 now gives us the opportunity to move beyond emergency measures and build a more complete and sustainable semiconductor ecosystem in Europe.

Finally, I would like to raise one issue that is discussed frequently with companies across the semiconductor ecosystem: access to scale-up financing.

Europe is capable of supporting early-stage innovation. We have excellent startups, strong research, and world-class engineering talent. But when companies reach the stage where they require investments of one, two, or several billion euros to scale globally, Europe still struggles to provide sufficient growth capital.

This is a major structural weakness.

If Europe wants to remain competitive in semiconductors, AI, quantum technologies, and other critical sectors, we must create the financial conditions that allow European companies not only to start here, but also to grow and remain global leaders from Europe.

The semiconductor race is ultimately not only about technology. It is about industrial power, economic resilience, geopolitical stability, and Europe's ability to shape its own future.

For that reason, Chips Act 2.0 must be ambitious, realistic, and focused on building a complete European ecosystem – from research and design to manufacturing, infrastructure, investment, and to long-term demand.

## IMPULSE STATEMENTS

Michael Boll, INFINEON, Vice President Public Policy

How can a European semiconductor strategy support product innovation, market leadership, and success for fabrication plants/facilities [fabs] in Europe?

As Vice President for Government affairs at Infinion, I am honoured to share our perspective on how a robust European semiconductor strategy can drive product innovation, secure market leadership, and ensure the ongoing success of fabs in Europe.

- Lab-to-Fab: Bridging Innovation and Industrialisation

Europe's strength in Research is undisputed, but our challenge lies and translating breakthrough ideas from the lab into scalable industrial success. Too often, promising technologies stored at the pilot stage, never realising the market potential. To truly close the innovation gap, we must ensure that pilot lines are not just sites of experimentation, but engines for economic growth, measured by industrial uptake and tangible market impact.

The general recast of the EU Chips Act and the Chips JU offer a chance to rebalance our efforts. Collaborative R&D between industry and research organisations must be the cornerstone of our approach. Publicly funded pilot lines should directly serve Europe's competitiveness, with industry involvement – from day one as a decisive factor. If we want our innovations to reach



the market, Companies and Research Institutions must co-develop, test and industrialise technologies together – not separately.

- Framework Conditions to Serve Demand (Power, Robotics,)

Speed is of the essence. In a fast-moving global market, Europe must simplify administrative processes and accelerate decision-making so that our innovation reach fabs before international competitors claim the lead. Semiconductor manufacturers need the agility to rapidly scale R&D and production in response to rising demand-for example, in power semiconductors as data centres are projected to consume 7% of global electricity by 2030, or in robotics, where the market for humanoid robots could reach \$1.7 trillion by 2050.

- Strengthen Our Strengths

Europe should play to its unique advantages. Foundational semiconductors, power electronics, sensors, microcontrollers, and embedded systems are our strategic assets. They are indispensable for AI, mobility, energy and defence. Innovation thrives in these nodes and it is here that Europe can lead globally.

In particular, “physical AI”-the integration of chips, sensors, power, electronics, and software for real world. AI systems represents a tremendous opportunity for Europe. This is where our industrial strengths and technological expertise converge.

At the same time, openness is a source of sovereignty.

Strategic partnerships with trusted allies are essential to access technologies where Europe is not yet leading, why creating mutual dependence is that enhance our resilience. Future potential collaborations such as those with Rapidus for AI chips or demonstrate the value of such alliances.

- Conclusion: a call for holistic strategy

Our industry urgently needs a holistic and coherent strategy.

Semiconductor policy cannot be developed in isolation. It must be aligned with Europe’s energy, digital, defence, and industrial strategies.

Fragmentation only creates bottlenecks – regulations drafted in silos undermine are collective potential.

To remain globally competitive, we must focus on coherence, resilience, and making the right investments at the right time. If we get the framework well balanced, demand and successful will follow.

I look forward to working together to ensure Europe semi conducted industry remains a global leader in innovation, market strength and resilience.

Yannick Treige, ASML, Senior Manager, European Government Affairs  
(Speaking notes)



- Beyond considerations of a semiconductor strategy and end markets – we need a European technology Strategy that considers the whole value chain as one
- That strategy must be market driven and aim to build business cases across every link of the value chain
- Other geographical areas' success demonstrates that technology is not built in isolation - ecosystems matter and policy have to reflect that:
  - The example of the US, where a large market for innovative AI applications has been driving the business case for AI computing infrastructure that in turn incentivises chip design and production business cases.
- How can an EU tech strategy reflect that: through a market driven approach that reflects the whole value chain?
  - The conversation about regulation is incomplete: we need to start designing regulation to enable the European Tech ecosystem instead of hindering it. The need to simplify legislation to facilitate compliant AI model training is a good example here – particularly because that would also contribute to demand for data centres and the chips that power it
  - This strategy needs to align all aspects of EU policy in a same direction: that is regulation, energy policy, trade and competition policy and sectoral policy
  - Sectoral initiatives like the Chips Act and CADA need to be seen as a building block in that strategy.
- What can the Chips Act contribute to that strategy?
  - Speed up permitting: let us send a signal with one process, one form and a six months approval guillotine clause
  - Aligning basic research excellence with industry roadmaps through more industry involvement in the chips act instruments
  - A strategic instrument beyond the First of a Kind that supports the entire value chain, from production to product development and design. That instrument should also be used as an incentive for non-semiconductors end markets to enter partnerships to co-design, develop and produce their products and electronics
- That partnership and co-development dimension with European end markets is essential because the uptake and own development of advanced technologies by European headquartered companies will create the structural type of demand that will create the businesses cases across the value chain, including for data centres, chips production and design.
- Our request to the EU institutions is for the following:
  - You have a unique opportunity to build this united technology vision across files – do not look at the Chips Act or Cloud and AI Development Act in isolation
  - Work with industry – we are ready to take responsibility – this about more than bottom lines or elections, it about setting this European Union up for continued economic prosperity and geopolitical relevance in the future.
  - We look forward to working with you.



Enrique De Vega, AIRBUS, EU Aviation Affairs Manager, EU Public Affairs

What should Chips Act 2 prioritise to support demand for chips that are critical for Europe's industrial competitiveness and deployment at scale?

We welcome the opportunity as Airbus to speak for a few minutes on the vision of the aerospace and defence industry as a strategic downstream user of semiconductors.

## About Our Industry and Our Specificities

As a word of introduction about our sector, the EU is currently the global leader in commercial aviation, as the result of a decades-long effort spearheaded by Airbus with the support of public authorities and an integrated supply chain spread across the EU. This leadership has brought growth and jobs, with European aeronautics turnover reaching €129bn in 2024, enabling €108bn of exports. It has connected people and fostering trade, effectively delivering the European single market.

Moreover, in the current geopolitical context, we are one of the few integrated players at European scale able to deliver flagship programmes in the defence and space realm. This is partly because our ecosystem is completely dual from a technological, industrial and financial point of view. There is simply no defence industry without an aeronautics industry.

Just talking about commercial aircraft, we aim to deliver 870 of them this year and we are ramping-up towards 1000. Most of our semiconductors are in the mature category, above 10nm and often above 28nm.

Three added complexities:

- This volume represents less than 1% of global semiconductor demand. It is around 40 times less than our colleagues in the automotive industry.
- Most of those references are procured throughout our supply chain, it is not Airbus directly buying them.
- We have very specific requirements in terms of long-lifecycle and high-reliability given the certification that our aircraft have to undergo.

And without one single semiconductor, we cannot deliver our aircraft and defence systems. I think that explains well why we need the Chips Act 2 to bring about a long-term, strategic industrial policy for semiconductors.

## Building a Competitive Production Ecosystem

We, as a sector, are trying to proactively take responsibility now about how to de-risk our supply chain. However, it is something that we cannot do alone, we need this industrial policy to support the development of a semiconductor ecosystem that is able to reduce our current dependencies.

To make European production competitive, we advocate for vertical industrial alliances to aggregate demand. By aligning the needs of aerospace with higher-volume sectors like automotive, we can provide the investment certainty required to build a robust local ecosystem – including manufacturing, packaging, and testing.

Furthermore, we believe that public funding, such as through the European Competitiveness Fund, should be tied to guarantees that these industrial capabilities will prioritize critical sectors that contribute to the overarching EU political objectives.

At the same time, we can offer the predictability of a long-term production backlog.

### An End-User Perspective

As part of this shift of mentality towards a demand-driven approach, there are several specificities to highlight:

- Longevity Feedback Obligations
  - Component manufacturers should provide at least three years' notice before obsolescence – up from the current six months – allowing us time to develop replacement strategies.
- Transparency
  - We need greater transparency in chip architecture to satisfy stringent airworthiness certification and substitution requirements.
- Enhanced Visibility
  - Greater transparency from intermediaries and comprehensive mapping of the value chain.
- Strategic Reserves
  - Identifying and organising stocks for critical components where no redesign alternative yet exists.
- European Prioritisation
  - In times of crisis, access to components for European critical sectors must prevail over extraterritorial jurisdictions.

### Conclusion

The Chips Act 2 is a joint effort that must safeguard the resilience of the strategic industries that underpin Europe's prosperity and security. We stand ready to work with the Commission and Member States to ensure this policy succeeds.

### MEP VIEWS

Paulius SAUDARGAS MEP (EPP, Lithuania) ECON & ITRE Committees

I must say that after listening to the excellent interventions this evening, it is difficult to add many completely new elements to the discussion.

We have already heard extremely valuable insights from policymakers, industry representatives, and experts across the semiconductor ecosystem.

Still, while listening to the discussion tonight, one thought remained very much in my mind. There is no digital future without semiconductors.



Every aspect of modern society – industry, defence, energy, mobility, communications, artificial intelligence, healthcare – depends on chips. They are at the heart of technological sovereignty, industrial competitiveness, and economic resilience.

At the same time, we must also acknowledge a difficult reality: Europe remains significantly behind in several strategic parts of the semiconductor value chain.

This brings us to an important dilemma that Europe will increasingly face when shaping the future Chips Act and our broader industrial strategy.

Should Europe aim to invest across the entire semiconductor value chain, or should we concentrate our resources on a smaller number of highly strategic breakthrough areas where Europe can become globally competitive more rapidly?

From a purely industrial or commercial perspective, there is a strong argument for focusing investment where Europe already has clear strengths and where market opportunities are strongest.

However, I would also like to offer another perspective – perhaps more from the point of view of science and research.

Before entering politics, I worked in scientific research and laboratories, and one thing research teaches you is that technological breakthroughs are often impossible to predict.

Scientific discovery does not always happen where we expect it. It may emerge from a university laboratory, a small research centre, a start-up, or an unexpected field of experimentation. Entire technologies can evolve very rapidly and fundamentally reshape industrial leadership.

Today, semiconductors are largely based on silicon technologies. Tomorrow, perhaps new materials or entirely new approaches could transform the sector again. We simply do not know where the next major breakthrough will come from.

That is why Europe must continue investing broadly in research, innovation, and scientific capacity across the semiconductor ecosystem.

Geopolitics is not a sprint – it is a marathon.

Other global players may currently be moving faster in certain areas, but if Europe stops investing, stops innovating, or stops building capabilities, then we risk falling permanently behind.

We therefore need both strategic focus and long-term scientific ambition.

Europe should strengthen the areas where we are already globally competitive, while also maintaining the research ecosystems that will allow future breakthroughs to emerge here in Europe.

This means investing not only in manufacturing capacity, but also in universities, laboratories, pilot lines, advanced materials, research infrastructures, and scientific talent.

Because ultimately, every major technological transformation begins with research, experimentation, and innovation.

Andi CRISTEA MEP (S&D, Romania) INTA Committee  
*(Notes taken from the presentation)*



After listening to the previous speakers, I must say that many excellent points have already been made regarding semiconductors, industrial policy, competitiveness, and strategic resilience. Rather than repeat them, I would simply like to reflect on a few broader observations.

Earlier today, I was thinking about how quickly technology is changing our everyday lives.

For example, I recently bought a new pair of smart glasses. They integrate AI-based functionalities, translation tools, contextual information, and assistance systems directly into daily interactions. It is a small example, but it illustrates how rapidly digital technologies are becoming embedded in every aspect of society.

And behind all these technologies, of course, are semiconductors.

This brings us to a wider reality: technological competition today is accelerating at an extraordinary pace.

There is a famous image from literature – the “Red Queen effect” – where one must run as fast as possible simply to remain in the same place. I believe this describes very well the current geopolitical and technological environment.

If Europe slows down, hesitates, or underinvests, we do not simply stand still. We fall behind.

And the reality is that global competition in advanced technologies has become extremely intense.

When we look at the world’s largest technology companies by market capitalisation, the imbalance is striking. The overwhelming majority of value creation today is concentrated outside Europe, particularly in the United States. This is not new information, but it should continue to concern us.

At the same time, we must also remember that technological competitiveness depends on much more than chips alone.

Energy, infrastructure, industrial capacity, financing, talent, digital ecosystems, and geopolitical resilience are all interconnected.

For example, Europe continues to depend heavily on external energy sources. This inevitably affects industrial competitiveness, investment attractiveness, and long-term strategic autonomy. It is difficult to build resilient digital industries if key underlying dependencies remain unresolved.

I also believe we must recognise that the international environment is evolving rapidly.

For many years, Europe operated in a global system largely based on cooperation, openness, and interconnected supply chains. Today, however, geopolitical competition is becoming sharper, more transactional, and increasingly driven by strategic interests.

Europe therefore needs to become faster, more agile, and more capable of acting strategically in critical sectors.

Several important points raised this evening deserve particular attention: the importance of European demand creation, the need for real industrial business cases, the connection between semiconductor policy and broader industrial ecosystems, and the importance of ensuring that legislation is coherent across sectors rather than developed in isolation.

Finally, I would like to conclude with one reflection on strategic autonomy.

Strategic autonomy should not be understood as complete isolation or self-sufficiency. In today's world, that is neither realistic nor desirable. Strategic autonomy means having the ability to choose our interdependencies rather than having them imposed upon us.

It means ensuring that Europe retains sufficient industrial, technological, and economic capacity to remain a credible and influential global actor. That, in my view, is ultimately what this debate is about.

CONCLUDING REMARKS

Antony Fell, EUROPEAN FORUM FOR MANUFACTURING, Secretary General

I would like to thank most warmly our Parliamentary Host, Joao Cotrim de Figueiredo.

European Commission Speaker, Silvia Bartolini has outlined in her excellent presentation how the revision of the EU Chips Act is an opportunity to further improve the legal framework and strengthen the semiconductor industry in Europe. It should also focus on aligning with industry, end-market realities and strengthen Europe's position in the global value chain.



We have also heard additional interventions from the Parliamentary representatives from the EPP, Renew and S&D Groups. Manufacturers from across Europe made valuable contributions to the discussion with a variety of perspectives. We welcomed working on this evening's EFM Forum with the European Semiconductor Industry Association.

Finally, I would like to thank each and everyone of you for joining us today to debate this important Commission initiative which is due to be adopted later this month, on 27 May.

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