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COVER NOTE

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Delegations will find attached the opinion adopted by the European Economic and Social Committee on the above-mentioned proposal.

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European Economic and Social Committee

OPINION

European Economic and Social Committee

Chips Act 2

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Proposal for a regulation of the European Parliament and of the Council on a framework of measures for strengthening the Union's semiconductor ecosystem, repealing Regulation (EU) 2023/1781 (Chips Act 2.0)
(COM(2026) 504 final 2026/0139 (COD))

INT/1127

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Advisor	Camille FRANGER (to the co-rapporteur) Nuno SOUSA E SILVA (to the rapporteur)
Legislative procedure	EU Law Tracker
Referral	a) European Parliament, 24/6/2026 b) Council of the European Union, 22/7/2026
Legal basis	Article 173(3) and article 114 of the Treaty on the Functioning of the European Union
European Commission documents	COM(2026) 504 final – 2026/0139 (COD) Summary of COM(2026) 504 final – 2026/0139 (COD)
Relevant Sustainable Development Goals (SDGs)	SDG 8 SDG 9 SDG 12 SDG 13
Section responsible	Single Market, Production and Consumption
Adopted in section	5/10/2026
Adopted at plenary session	21/10/2026
Plenary session No	609
Outcome of vote (for/against/abstentions)	197/0/1

1. RECOMMENDATIONS

The European Economic and Social Committee (EESC)

1.1 welcomes the Commission Chips Act 2 proposal, part of the Technological Sovereignty Package, as a timely evolution of the original Chips Act[1], recognising that semiconductors are now a strategic asset for Europe's competitiveness, technological sovereignty, economic security and industrial resilience;

1.2 believes that Europe will not win the semiconductor race by replicating Asia or the United States. It will succeed by building a uniquely European semiconductor ecosystem combining research, manufacturing, design, equipment, skills, sustainability and industrial cooperation, leveraging what is specific to its environment, while focusing European efforts on those parts of the value chain where dependencies create a genuine strategic risk;

1.3 supports the transition from an emergency response instrument towards a long-term industrial policy capable of reinforcing the entire European semiconductor ecosystem, in line with other major European industrial policy tools such as the Industrial Accelerator Act, the Critical Raw Materials Act and the forthcoming Public Procurement Act;

1.4 considers that the industrial competitiveness and strategic autonomy of the European Union must remain the guiding principle of the Regulation. Public financial support alone will not be sufficient unless accompanied by private investments, faster permitting procedures, single point of contact and simplification, affordable energy and a genuine harmonised Single Market;

1.5 welcomes the stronger emphasis on demand-side measures, in particular through public procurement, co-design and cooperation with user industries, and the promotion of semiconductors, components or systems manufactured within the European Union, while stressing that these should stimulate innovation and industrial deployment without distorting competition and in a manner compatible with the EU's international commitments;

1.6 calls for particular attention to SMEs, start-ups, scale-ups and fabless companies, ensuring that they can benefit effectively from the new framework, particularly through access to funding, pilot lines and design tools; SMEs should be given genuine opportunities to become integrated into the value chain, thereby strengthening technological upgrading of European SMEs;

1.7 underlines that Europe's technological leadership and strategic autonomy requires a comprehensive value-chain approach covering design and design tools, materials, equipment, wafer fabrication, advanced packaging, assembly, testing and mature-node semiconductors alongside leading-edge technologies;

1.8 believes that public investment should primarily leverage private investment to create synergies and improve Europe's attractiveness as a location for semiconductor manufacturing facilities;

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1 OJ C 365, 23.9.2022, p. 23, OJ C 365, 23.9.2022, p. 34 and OJ C 365, 23.9.2022, p. 40.

support should be coordinated at European level in order to avoid fragmentation and subsidy competition between Member States;

1.9 considers that public support should contribute not only to investment and production capacity but also to the creation and retention of quality industrial jobs, workforce development and long-term industrial activity within the Union through enforceable social conditionalities in public funding and possible claw-back mechanisms, in order to create long-term economic and social value in Europe;

1.10 welcomes stronger crisis preparedness such as priority-rated orders, information gathering or common purchasing but stresses that any emergency measures should remain proportionate, temporary and respectful of the functioning of the internal market with appropriate safeguards for confidential business information and trade secrets;

1.11 welcomes the emphasis on skills development through competence centres, regional plans and talent measures, and recommends involving workers and their representatives in skills anticipation, training strategies and the development of semiconductor ecosystems at regional level;

1.12 underlines that Europe's technological sovereignty objectives should take into account the reality of complex and globally interconnected value chains, and remain fully compatible with open and rules-based trade and international cooperation;

1.13 calls for a robust monitoring framework based on measurable economic, technological and social outcomes, including industrial deployment, investment, productivity, innovation, global competitiveness, quality employment, workforce development and regional industrial impacts;

1.14 underlines that the expansion of semiconductor manufacturing capacity should be accompanied by high standards regarding energy efficiency, water use and resource management, consistent with the Union's climate and industrial objectives;

1.15 stresses the importance of proportionate administrative requirements, effective coordination mechanisms and governance, while ensuring meaningful, structured and continuous stakeholder involvement, transparency and accountability throughout the implementation process.

2. EXPLANATORY NOTES

A changing geopolitical environment requires a stronger European semiconductor strategy

Arguments in support of recommendations 1.1, 1.2, 1.3 and 1.11

2.1 Europe will not win the semiconductor race by replicating Asia or the United States. It will succeed by building a uniquely European semiconductor ecosystem.

2.2 Semiconductors underpin almost every major economic sector, including automotive, aerospace, defence, healthcare, energy, telecommunications and artificial intelligence. As 'the industry of

the industry', they are a key enabling technology for Europe's resilience, strategic autonomy and technological capacity.

2.3 The rapid development of artificial intelligence is further increasing global demand for advanced computing, high-performance chips, memory technologies and specialised semiconductor solutions.

2.4 Europe's objective should be strategic resilience, not technological self-sufficiency. The Union should strengthen its capabilities while preserving open trade, diversified partnerships and resilient global value chains. Technological sovereignty should reinforce international cooperation, not replace it. Achieving strategic resilience requires clear prioritisation, focusing on those dependencies where European capacity is essential.

2.5 The global semiconductor shortage following the COVID-19 pandemic exposed Europe's supply-chain vulnerabilities. The automotive sector was particularly affected, alongside medical equipment, industrial machinery and other strategic sectors.

2.6 Growing geopolitical tensions and technological competition between major producing regions have also made semiconductors a strategic asset.

2.7 The EU's share of global semiconductor manufacturing remains below its strategic ambitions, despite investments announced after the first European Chips Act. Europe has major strengths, including world-leading equipment and lithography capabilities through companies such as ASML but must reinforce chip design, design tools, leading-edge manufacturing, advanced packaging and AI chips. It also depends on third countries for certain raw materials.

2.8 The Chips Act 2 should therefore mark a decisive shift from an emergency response instrument to a long-term European industrial strategy for semiconductors.

2.9 Its objective should be not merely to increase production capacity, but to strengthen the competitiveness, resilience and long-term sustainability of the entire European semiconductor ecosystem.

Building a comprehensive European semiconductor ecosystem across the entire value chain

Arguments in support of recommendations 1.5, 1.6 and 1.7

2.10 Europe's technological leadership requires a comprehensive approach covering the entire semiconductor value chain: research and innovation; pilot lines and advanced infrastructures; design and electronic design automation tools (equipment production technologies, materials, chemicals and components); wafer fabrication covering both mature-node and leading-edge technologies; advanced packaging and integration; assembly, testing and industrial deployment.

2.11 Europe should build on its comparative advantages in equipment, lithography, research infrastructures, pilot lines and advanced manufacturing, while reinforcing weaker segments such as chip design, advanced packaging and AI-related semiconductors.

2.12 A comprehensive semiconductor strategy must also address the needs of downstream sectors, as semiconductors are a critical input for Europe's industrial competitiveness. While leading-edge technologies attract significant political and industrial attention, mature semiconductor technologies remain essential for key applications such as automotive, industrial automation, energy systems, medical devices, aerospace and defence. At the same time, Europe should strengthen its position in emerging strategic fields, including artificial intelligence processors, advanced computing, photonics, power electronics and advanced packaging.

Reinforcing competitiveness through coherent industrial policy and investment conditions

Arguments in support of recommendations 1.2, 1.3, 1.4 and 1.7

2.13 Semiconductor policy should be integrated into broader European industrial policy. The Chips Act 2 should be implemented consistently with the Industrial Accelerator Act, the Public Procurement Act, the Critical Raw Materials Act and the objective of strengthening the Single Market.

2.14 Semiconductor manufacturing facilities represent strategic investments requiring substantial resources, highly skilled workers, reliable infrastructure and predictable policy frameworks. The EESC welcomes the fact that the first Chips Act helped mobilise more than EUR 52 billion in public and private investment. It stresses, however, that higher levels of investment will be required if Europe is to remain competitive in the global semiconductor race. Compared with major global players, the EU still faces a substantial investment gap.

2.15 The EESC points out that public support, either through public procurement or State aid, should act as a catalyst for private investments and generate long-term economic and social value. Public funding should therefore not only contribute to increasing production capacity but also support quality employment, workforce development and the retention of industrial capabilities within the Union. Where significant public resources are mobilised, the EESC considers that appropriate social conditionalities and, where justified, claw-back mechanisms may be considered to ensure that public investment contributes effectively to European industrial objectives and benefits society as a whole.

2.16 Public financial support is necessary but insufficient. Europe's ability to attract and retain investment also depends on affordable and secure energy, efficient infrastructure, available skills, faster permitting and an efficient Single Market.

Strengthening resilience through effective supply-side and demand-side measures

Arguments in support of recommendations 1.4, 1.8 and 1.9

2.17 The EESC welcomes the recognition that industrial policy cannot rely solely on supply-side measures. Long-term competitiveness will also depend on stimulating strategic demand through AI, cloud computing, public procurement, defence, automotive, health technologies and digital infrastructure.

2.18 The EESC welcomes the stronger focus on demand-side measures, particularly public procurement, which can create lead markets for innovative technologies, accelerate industrial deployment and support quality jobs in Europe.

2.19 Where public funding or State aid supports strategic semiconductor investments, appropriate conditions may secure long-term industrial activity, employment and skills development in Europe. Strategic procurement, co-design, demand aggregation and stronger cooperation between producers and user industries can contribute to creating lead markets, thus accelerating industrial deployment and supporting quality jobs in Europe.

2.20 State aid should avoid fragmentation between Member States. Competition based solely on national subsidies risks weakening the European strategy; coordinated action should ensure lasting economic, technological and social value across the Union.

2.21 The EESC welcomes stronger resilience and crisis preparedness measures, including monitoring, information gathering, priority-rated orders and common purchasing. Strategic semiconductor projects should be supported through a coordinated financing approach, combining EU, Member States' and private resources, so as to avoid fragmentation and subsidy competition.

2.22 On the supply side, Europe must continue investing in research, innovation, pilot facilities, manufacturing capacity and industrial coordination. Faster and more predictable permitting procedures, effective one-stop shops, clear responsibilities and streamlined procedures should facilitate investment while maintaining high environmental and social standards.

International partnerships

2.23 Europe's semiconductor strategy should be supported by deeper partnerships with reliable and like-minded countries. Diversified supply chains, joint research, investment cooperation and secure access to critical technologies should complement stronger domestic capabilities.

Investing in people: skills, quality jobs and resilient industrial ecosystems

Arguments in support of recommendations 1.9, 1.10, 1.11 and 1.13

2.24 The EESC stresses that Europe's semiconductor ambitions will depend not only on investment, infrastructure and technological capabilities, but also on the availability of a skilled and continuously developing workforce as well as on securing quality jobs in Europe. Semiconductor manufacturing is among the most technologically advanced industrial activities and requires a broad range of competences across the entire value chain, including engineers, operators, researchers, technicians, equipment maintenance specialists, clean-room operators, software developers, automation experts, electricians, mechanics and other highly skilled production workers.

2.25 The EESC stresses that semiconductor resilience also has a cybersecurity dimension. Security-by-design, trusted hardware and the cybersecurity of semiconductor components used in critical

infrastructure and strategic sectors should therefore form an integral part of the Union's semiconductor strategy.

2.26 The most valuable asset of Europe's semiconductor industry is not only its technology but also its highly skilled workforce. Preserving, attracting and continuously developing this workforce should therefore be considered an integral part of Europe's semiconductor strategy. As technological innovation accelerates, maintaining Europe's industrial leadership will increasingly depend on its ability to retain knowledge, transfer expertise between generations and equip workers with the skills needed for new technologies and production processes.

2.27 The EESC notes a growing paradox in the European semiconductor industry. While companies, industry associations and public authorities consistently identify skills shortages as one of the main constraints to expanding Europe's semiconductor capacity, several major companies have simultaneously announced significant workforce reductions and restructuring programmes. The EESC therefore stresses that workforce adjustment should not become the response to technological change. Policy should place much greater emphasis on anticipating skills needs and on upskilling and reskilling the existing workforce, enabling workers to adapt to new technologies, production methods and occupations while preserving valuable industrial experience.

2.28 The EESC considers that workers and their representatives should have a meaningful role in anticipating skills needs, designing training strategies and supporting industrial transformation at regional level. Social dialogue contributes to better management of industrial change, facilitates workforce adaptation and strengthens the resilience and competitiveness of regional industrial ecosystems. Recent developments in the European semiconductor industry illustrate the importance of social conditionalities linked to public funding.

2.29 Lastly, the EESC stresses that semiconductor ecosystems should be developed with a strong regional dimension. New investments should create opportunities not only in existing semiconductor clusters but also in regions undergoing industrial transformation, thereby supporting territorial cohesion, reducing regional skills gaps and strengthening Europe's long-term industrial resilience. Regions with strong industrial and supplier bases should have genuine opportunities to participate in new semiconductor investments and value chains.

Environmental sustainability and raw materials dependencies

Arguments in support of recommendations 1.6 and 1.14

2.30 Expanding semiconductor manufacturing must remain consistent with Europe's climate and industrial objectives. Production requires substantial electricity, water and specialised materials; affordable, clean and reliable energy will therefore be crucial to competitiveness and investment attractiveness.

2.31 Energy infrastructure and industrial sites will increasingly shape investment decisions. Semiconductor facilities, data centres and other strategic digital infrastructure require a

coordinated approach, particularly given their growing interdependence, particularly in the context of AI and high-performance computing.

2.32 Increasing European manufacturing capacity will not eliminate dependencies, notably on critical raw materials. Stronger production must therefore be accompanied by measures addressing upstream vulnerabilities.

2.33 The Chips Act 2 and the Critical Raw Materials Act should be better coordinated through diversified supply sources, recycling, resource efficiency, alternative materials and partnerships with reliable countries.

2.34 Faster permitting procedures must not weaken environmental safeguards or impact assessments. Acceleration should reduce unnecessary delays, improve coordination and increase predictability while preserving the Union's climate, environmental and resource-efficiency objectives.

Clear, efficient and accountable governance

Arguments in support of recommendation 1.15

2.35 Effective implementation requires clear governance, efficient coordination and meaningful stakeholder involvement. The Commission, Member States, industry and research organisations must work together transparently and accountably, involving SMEs, regions and social partners. Monitoring should assess measurable outcomes, including innovation, industrial deployment, productivity, employment, skills and regional impacts. Success should be judged not only by added manufacturing capacity, but also by stronger competitiveness, technological resilience, industrial ecosystems and long-term prosperity.

2.36 Stakeholder involvement should be structured and continuous, ensuring regular input from industry, SMEs and start-ups, workers and their representatives, regions, research organisations and semiconductor user industries.

Brussels, 21 October 2026.

The President of the European Economic and Social Committee
Séamus BOLAND