Declaration of the Semicon Coalition calling for a revised EU Chips Act in order to strengthen and revitalize Europe's position in the global semiconductor industry

Brussels, September 29, 2025

Introduction

The Signatories reaffirm their commitment to strengthening Europe's semiconductor ecosystem. Recognizing the critical importance of semiconductors to our society, economy, and security, we underscore the urgent need for a revised and forward-looking EU Chips Act.

Semiconductors are the backbone of today's high value, increasingly AI- and technology-driven growth sectors, spanning automotive, telecommunications, defence, IT services, life-sciences and energy. As such, semiconductors are crucial for enabling necessary societal transitions. It is therefore pivotal for Europe's technological leadership, shared prosperity and long-term resilience to secure a strong European position within this industry.

Thanks to our strengths in electronics and digital capabilities, new European players are emerging. Semiconductor technology and innovation are the driving forces behind this growth. To secure and strengthen our global position, the EU must prioritize the semiconductor sector as a strategic industry, on par with aerospace and defence, and treat it as a key target for investment, R&D and innovation, and – if necessary – use the available instruments to protect it and act collectively. The EU Economic Security Strategy and the EU Chips Act represent essential first steps towards this goal.

However, while global competitors are significantly ramping up public investment, much of the value creation in the semiconductor industry is occurring outside the EU. This underscores the need for a strengthened, second-phase EU Chips Act that is both ambitious and forward-looking.

A revised EU Chips Act should address Europe's current vulnerabilities, respond effectively to geopolitical, technological, and environmental challenges, and leverage both existing strengths and emerging market opportunities, many of which are highlighted in the Draghi report on the Future of European Competitiveness.[1] Achieving this will require a bold and coordinated agenda, aligning national and regional strategies with EU-level initiatives to reinforce Europe's leadership in semiconductor technologies.

Europe must aim to secure its technological leadership in key control points including R&D, materials, chip design, equipment, manufacturing and end-market applications in order to create a globally competitive, resilient and sustainable semiconductor ecosystem.

Strategic objectives of a revised EU Chips Act

As supported by the 2025 report of the European Court of Auditors on the EU Chips Act[2], the current 20% market share target is (a) unrealistic, and (b) too broad, lacking clear strategic direction on where and why Europe should lead in the semiconductor value chain.

We therefore propose that a revised EU Chips Act should be grounded in three strategic objectives:

1. *Prosperity*: enabling a competitive European semiconductor ecosystem that enhances Europe's economic and broad welfare and value creation across end-markets.
2. *Indispensability*: maintain and develop Europe's technological and innovation leadership to secure critical control points in the global semiconductor value chain.
3. *Resilience*: secure a stable and reliable supply of trustworthy semiconductors for Europe's most critical sectors, particularly in times of global disruption or geopolitical uncertainty.

[1] The Draghi report on EU competitiveness
[2] Special report 12/2025: The EU's strategy for microchips | European Court of Auditors

These strategic objectives should be supported by measurable targets, periodically reviewed by the European Commission in close consultation with Member States and all relevant stakeholders of the semiconductor ecosystem. Furthermore, their implementation should be coordinated with like-minded international partners and, where appropriate, aligned with complementary initiatives aimed at key European semiconductor end-markets (e.g. defence, automotive, telecommunications) as well as critical enabling technologies that rely on semiconductors (e.g. artificial intelligence, photonics, quantum technologies).

Policy priorities for achieving the strategic objectives of a revised EU Chips Act
The Signatories decide that the following policy priorities are essential to deliver on the strategic objectives of a revised EU Chips Act:

A) A strong complementary ecosystem with the right pre-conditions is key for a thriving semiconductor industry in Europe. To achieve this, Europe should:

- Foster complementary European collaborations between industries, research and technology organisations (RTOs), public research, innovative small and medium enterprises (SMEs), startups and midcaps, especially in chip design.
- Strengthen the technology pipeline by boosting R&D efforts from lower technology readiness levels (TRLs) up to first industrial deployment, thereby capitalizing on infrastructures built up in the Chips for Europe Initiative.
- Support European innovation champions in the field of R&D, materials, chip design, equipment, manufacturing and end-market applications for faster commercialisation, including through better pan-European networking.
- Foster strong complementary European industrial alliances, from suppliers and research actors to end-markets, to strengthen and improve the viability of the entire European industry.
- Ensure the necessary pre-conditions for the EU semiconductor industry to grow within the EU – also referring to issues such as permitting, nitrogen, grid access, power supply, housing and infrastructure and other preconditions. We will explore emergency permitting legislation to fast-track strategic investments in the semiconductor ecosystem.

B) Both public and private funding and investments are vital to reach Europe's ambitions in the semiconductor industry. Therefore, Europe needs to:

- Align national, European and private funding streams and other strategic policy initiatives (including quantum, photonics and AI technologies) to achieve greater scale, coherence and impact.
- Mobilize private capital to strengthen the investor ecosystem and enhance coordination of public capital, taking into account lessons learned and building on the success of the Chips Fund under the Chips for Europe initiative.
- Ensure that the new Multiannual Financial Framework (MFF) as of 2028 reflects the importance of strategic sectors and technologies such as semiconductors and builds upon strategies and acts such as the EU Chips Act.
- Introduce a fast-track Important Projects of Common European Interest (IPCEIs) mechanism for strategic semiconductor projects to shorten approval times, simplify procedures, and accelerate deployment. Push for continued IPCEI-funding so strategic investments can be pursued.
- Reform competition instruments by introducing faster and simplified procedures for funding R&D projects and pilot lines, accommodating higher technology readiness levels (TRLs) and allowing private parties to contribute.
- Support sufficient and simplified funding for start- and scale-ups to accelerate breakthroughs and faster commercialisation of R&D and uptake of electronic component and systems across various end-markets.

- Leverage venture capital and capital markets to complement public funding and enable large funding tickets, targeting technological leadership.
- Jointly work on the development of a "EU semiconductor value chain for AI" to bolster R&D, materials, chip design, equipment, manufacturing and end-market applications.

C) Availability of a skilled workforce is fundamental for facilitating the growth, innovation and competitiveness of our semiconductor industry. In order to make talent and workforce development a top priority, Europe should:

- Support collaboration between academic institutions in the EU and encourage stakeholders to increase exchange of talent and researchers.
- Establish a European Chips Skills Programme, also in concert with existing Chips Competence Centres, to promote and support STEM education, vocational training, upskilling and reskilling initiatives throughout the Union to build a robust talent pipeline.
- Promote measures to attract and retain high-skilled workforce capable of driving innovation in semiconductor technologies.

D) A sustainable and competitive semiconductor industry is key in addressing environmental challenges. To make this possible, Europe needs to:

- Support the development of semiconductors and electronic components and systems that contribute to the green transition, including energy-efficient chips, chips designed for green energy applications and circularity, integrated photonics, heterogeneous integration, and the use of advanced sustainable materials.
- Promote cleaner semiconductor manufacturing by encouraging the substitution of hazardous substances, the use of renewable energy, improved water efficiency, and the circular use of residual materials in production processes and throughout the whole value chain.

E) International partnerships with like-minded countries are crucial to ensure an open, connected and secure semiconductor supply chain and strengthening the innovation ecosystem. Therefore, Europe should:

- Foster global collaboration with like-minded international partners (from governments to industry) to create mutually beneficial dependencies, thereby building a resilient global supply chain.
- Enable companies from like-minded partners from outside the EU to form joint ventures with EU firms and access EU-funded R&D infrastructures in line with open strategic autonomy.
- Attract strategic capabilities from outside the EU to complement and reinforce the European ecosystem.

Call to action

All Signatories stand ready to work with the European Commission to propose, draft, adopt, and implement a robust revision of the EU Chips Act, one that will drive the continued growth of a strong, innovative European semiconductor ecosystem. We invite all third parties to endorse this declaration and join us in shaping a prosperous, resilient, and strategically indispensable European semiconductor landscape.

Together, we can out-innovate, out-compete, and out-perform, ensuring Europe's leadership in the critical technologies that will define our future.

Signatories

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For the Kingdom of Belgium
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Barbara Trachte
Secretary of State of the Brussels-Capital Region, responsible for Economic Transition and Scientific Research

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For the Republic of Bulgaria
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