**A close up of a sign

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**Roadmap to Resilience**

*How to Rebuild Europe’s Electronics Manufacturing and*

*Secure its Supply Chains for Defense and Critical Infrastructure*

In today’s world, our lives depend on electronics. Electronics are at the heart of virtually every economic activity, which makes the electronics supply chain vital to our economies, our governments, and our daily lives.

But when it comes to securing the electronics supply chain, no single company or country can stand alone. Electronics have the most globally integrated supply chain of any industry, surpassing even the automotive sector in cross-border complexity. That degree of interdependence challenges the notion of any one nation or region building a complete domestic ecosystem for electronics manufacturing.

Yes, every nation has an interest in creating a more robust domestic industrial base – including the skilled workers needed to build and use them – but they also must have more secure, resilient, international supply chains.

**The European Policy Agenda**

Electronics power Europe’s global leadership in industrial electronics, defence and aerospace, medical technologies, and communications infrastructure. Moreover, electronics are crucial for the digital and green transitions. However, the EU’s market share in critical electronics components is shrinking. The Global Electronics Association calls on the European Union institutions and national governments to adopt this policy agenda.

**Establish a Region-wide Electronics Manufacturing Strategy**

* The 2023 Structured Dialogue on Electronics Manufacturing highlighted capacity and capability gaps that should become priorities for a European Electronics Manufacturing Strategy, including a European Minimum Autonomy Threshold as a mechanism to measure and achieve these objectives.
* We call on the European Commission to introduce a European Strategic Electronics Manufacturing Act (SEMA) or Chips Act +, aiming to strengthen the electronics value chain from chip and component manufacturing to finished products and devices for critical industries.

**Level the Playing Field through Regulatory and Tax Changes**

* We call on the European Commission to work with Member States to suspend duties on base materials imported for electronics manufacturing. The European production of these materials is insufficient to meet demand, and import duties undercut the competitiveness of European manufacturers.
* We support the effort to reduce regulatory burdens, including a 25% reduction in reporting requirements.
* For new rules and regulations, a competitiveness check should apply while using robust data and scientific evidence for effective policymaking.
* For environmental regulations, avoid blanket bans of necessary chemicals and materials needed for strategic uses. The EC should provide sufficient time and funding for the innovation needed to develop greener processes.
* It is important to level the international playing field by increasing the availability of cost-competitive energy supplies.

**Collaborate for a Future-Proof Skilled Workforce**

* The industry applauds the work already underway to address Europe’s skills gap, and we call for more funding and coordination across Member States to:
* Increase the visibility and attractiveness of electronics manufacturing through new education programmes and apprenticeship opportunities.
* Support the industry’s efforts to build lifelong training of the workforce to provide clear career pathways and lower worker turnover.

**Reduce or Remove Trade Barriers While We Rebuild**

* Work with all nations to reduce or eliminate tariffs, which tend to negatively impact electronics manufacturers, through bilateral and multilateral trade deals.

**Fast Facts on EU Electronics**

* Across key sectors, EU electronics production is expected to lag behind global trends and decline from 16.5% global market share today to 15% by 2035.
* Those numbers become starker when looking at key subsectors such as PCB production (1.7% global market share by 2035), advanced packaging (1.4%) and IC substrate production (0.7%), respectively.
* Europe’s share of electronics manufacturing has fallen in the last two decades despite soaring demand for electronics.

*Source:* [Securing the European Union’s Electronics Ecosystem](https://emails.ipc.org/links/IPC-Securing-Europe-Electronics-Ecosystem.pdf), IPC, 2024

**For More Information:**

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