



# SECURING THE EUROPEAN UNION'S ELECTRONICS ECOSYSTEM:

## Sharp Decline in European Electronics Manufacturing Jeopardizes Strategic EU Priorities — Industry Calls for Resiliency Strategy

A new report by IPC, the global electronics manufacturing association, reveals Europe's growing dependency on other regions for electronics manufacturing in critical and strategic sectors including aerospace and defence. Despite the adoption of the European Chips Act, the "Securing EU's Electronics Ecosystem" report finds the EU's market share in critical electronics components beyond chips, including printed circuit boards (PCBs), electronic manufacturing services (EMS) and advanced packaging, will decline to 15 percent by 2035.

The PCB industry segment has faced significant erosion over the last two decades. Revitalizing and growing electronics manufacturing – beyond chips – is essential to building a secure and robust European electronics ecosystem. A "silicon to systems" approach is necessary to support ongoing EU technological leadership and meet strategic goals.

The report assessed how reliant Europe is on non-EU manufacturing across eight strategic sectors including aerospace/defence, automation, mobility, healthcare, and renewable energy.

Highlights of the report include:

- Across the 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 subsectors of the European electronics manufacturing industry, 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 significantly in the last two decades despite demand for electronics soaring.
- Global PCB production has more than doubled since 2000 with European demand today at an estimated EUR 7.87 billion.
- Despite soaring demand for PCBs, European PCB production is projected to satisfy only 11 percent of European demand for PCBs (down from 17.5% today).

The study findings echo growing calls for strategic investments and comprehensive policies to enhance the EU's competitiveness including the 17 and 18 April European Council conclusions stating that Europe "needs to reduce its strategic dependencies in sensitive sectors– energy, critical raw materials, semi-conductors, health, digital, food and critical technologies – and in other sectors such as chemicals, biotechnology and space."

In response to the study, the European electronics manufacturing industry called for an "Electronics Manufacturing Strategy" under the 2024-2029 European Commission mandate to help the EU better withstand global disruptions and maintain a competitive edge. An industry "Call-to-Action" includes support from more than 35 leading European electronics manufacturers and 15 Trade Associations raising awareness for this situation.

For more information, including the full study and call to action, please visit: [www.ipc.org/EU](http://www.ipc.org/EU).