

The European Commission's Tech Sovereignty Package

Special Review

3 June 2026

Overview

On June 3rd, the European Commission published its Technological Sovereignty Package, marking a significant evolution in EU digital and industrial policy.

The package combines a revised Chips Act (Chips Act 2.0), the Cloud and AI Development Act (CADA), an Open Source Strategy, and a Strategic Roadmap for Digitalisation and AI in Energy.

The package is based on four key pillars:

1. **Completing the semiconductor equation**, including demand-side measures and a €30 billion advanced foundry for 3nm chips and below.
2. **Accelerating cloud and AI infrastructure**, with a target to triple EU data centre capacity within 5–7 years and introduce a structured sovereignty framework.
3. **Redirecting public sector IT spending**, through an “open source-first” principle and sovereignty risk assessments, targeting €264 billion in annual spending.
4. **Integrating the technology stack**, linking semiconductors, infrastructure, and AI through initiatives such as AI Gigafactories.



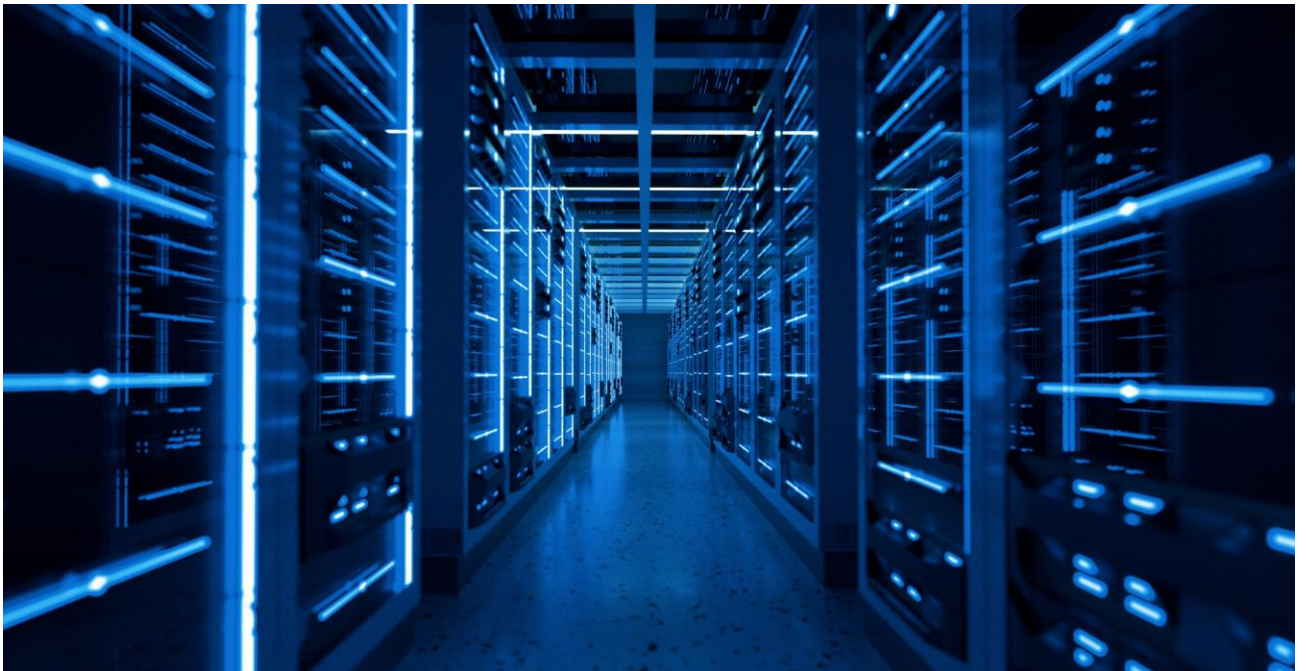
Overall significance

The package establishes a comprehensive policy framework to reduce European technological dependencies, particularly in semiconductors, cloud, and AI.

Key mechanisms include:

- **Sovereignty risk assessments** for public-sector cloud and AI procurement, supported by a four-tier classification framework and common assessment criteria.
- **Open source-first procurement**, supported by broader ecosystem measures to enable adoption and reuse.
- **Strategic demand creation**, notably through AI infrastructure acting as a driver for semiconductor investment.
- **Infrastructure acceleration**, including Data Centre Acceleration Zones and coordinated investment frameworks.

More broadly, the package reflects a shift from a primarily regulatory approach to a more **proactive industrial and infrastructure strategy**. At the same time, it is explicitly positioned as compatible with openness, rather than a move towards isolation or decoupling.



Key takeaways

01 Public procurement becomes industrial policy

Public spending remains the most immediate lever. With €264 billion in annual IT expenditure, new procurement approaches introduce stronger consideration of resilience, interoperability, and long-term capacity building.

For providers, this increases the importance of alignment with public-sector requirements while maintaining a diverse and competitive supplier landscape.

02 Sovereignty framework introduces a structured governance layer

CADA's four-tier classification provides a framework to align infrastructure choices with the sensitivity of different use cases.

Its primary effect is to standardise how sovereignty considerations are assessed, rather than to restrict specific providers. Most use cases are expected to fall within lower tiers, where a broad range of providers can operate, with stricter requirements limited to highly sensitive applications.

The key challenge will be consistent implementation across Member States.

03 Energy costs remain a structural constraint

Energy intensity remains a defining feature of both data centres and semiconductor manufacturing. While the package strengthens integration with energy policy and sustainability objectives, cost differentials with other regions remain a structural consideration.

04 Investment scale is significant

The package implies total investment requirements exceeding €300 billion, including:

- €120 billion for semiconductors
- €200 billion for data centres and cloud

Public funding is intended to mobilise private investment, but delivery will depend on the availability of capital and the attractiveness of projects.

In more detail

Chips Act 2.0

The revised Chips Act expands beyond supply-side support to include demand measures and stronger integration with downstream infrastructure.

Priority areas include:

- Advanced manufacturing capacity
- Broader ecosystem support across the value chain
- Accelerated transition from pilot projects to commercial production
- Stronger links to AI and data centre demand

Cloud and AI Development Act (CADA)

Infrastructure

- Target to triple EU data centre capacity within 5–7 years
- Development of Data Centre Acceleration Zones
- Estimated €200 billion in investment, largely private

Sovereignty framework

- Four-tier classification based on control, location, and security criteria
- Risk-based application depending on use case
- Central role in public-sector cloud and AI procurement

Public procurement

- Open source-first principle
- Greater emphasis on interoperability and reuse
- Increased strategic use of public demand

Supporting ecosystem measures

- Investment in cloud and AI capabilities
- Strategic project mechanisms
- Support for European digital infrastructure development

Supporting elements

Open Source Strategy

Positions open source as a key enabler of flexibility, interoperability, and innovation, supported by dedicated funding and governance measures.

Energy Roadmap

Focuses on integrating digital infrastructure with the energy system, including efficiency, grid planning, and sustainability requirements.

Conclusion

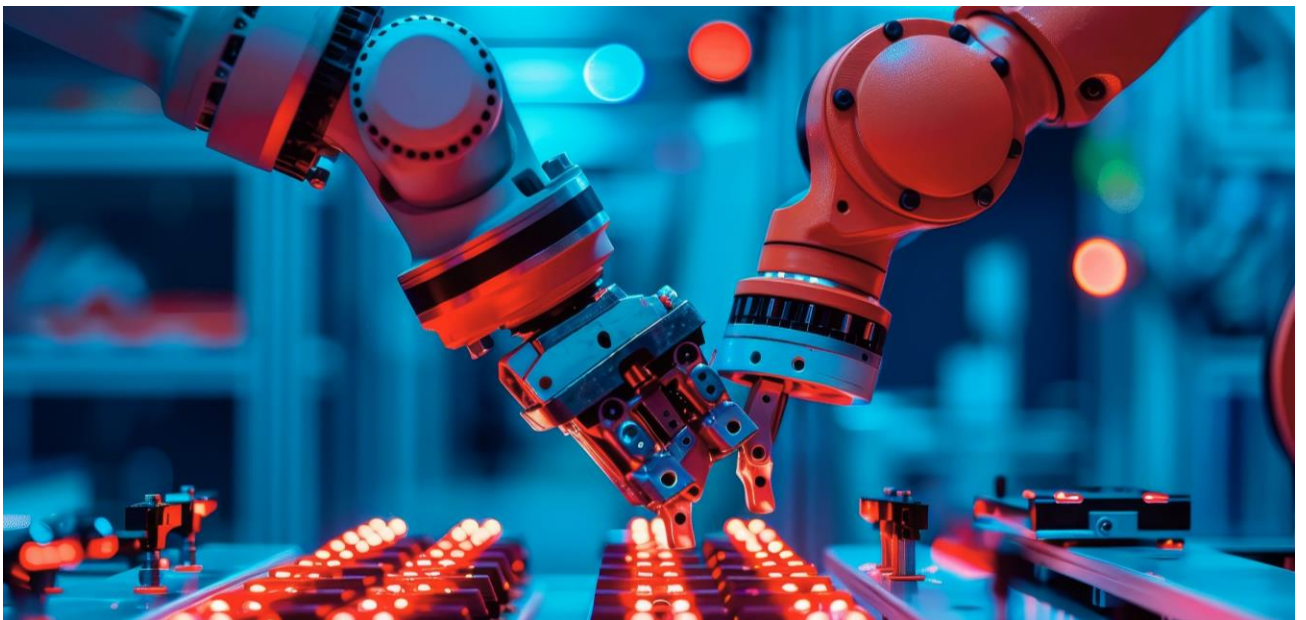
The Tech Sovereignty Package represents a significant shift towards a more coordinated and proactive EU digital strategy.

It combines regulatory frameworks, industrial policy, and infrastructure development to strengthen Europe's position across the technology stack, while remaining open to global players.

Its success will depend on:

- Effective implementation across Member States
- Mobilisation of private investment
- The ability of the European ecosystem to scale alongside global providers

The next phase will focus on legislative negotiations and practical implementation.



Thank you

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