

Digital Chai Chat

EU Tech Sovereignty Package

Context, Components & Implications for EU-India TTC

30.06.2026 | 14.00 – 14.45 hours

Table of contents

01

Context: The EU Tech Sovereignty Package

What is changing?

02

Deep Dive

Legislation, Strategy and Roadmap

03

Opportunities & Analysis

What could this unlock?

04

Member States Discussion

What are your inputs?

Context

The Tech Sovereignty Package Builds on the following digital policies released by the European Union:

- **2025: AI Continent Plan**
- **2025: Competitiveness Compass for EU**
- **2024: eIDAS 2.0/EUDI Wallet**
- **2024: EU AI Act**
- **2023: EU Chips Act**
- **2023: Economic Security Strategy**
- **2022-2024: NIS2 & Cyber Resilience Act**
- **2021-2027: Digital Europe Programme**



The EU Tech Sovereignty Package

Strengthening Europe's Tech Sovereignty

Legislation

1. Chips Act 2.0

2. Cloud & AI Development Act

These are key legislations because they address two of the EU's most strategic technological priorities:

semiconductor independence and AI adoption and competitiveness.

Strategy

EU Open source Strategy

EU Open Source Strategy will bolster the European ecosystem via a full lifecycle approach, covering the entire chain from research and development to market uptake.

Roadmap

Strategic Roadmap for Digitalisation and AI in Energy

Aims to accelerate the deployment of digital and AI solutions across the energy sector, improving grid optimisation, energy efficiency, demand-side flexibility, and the integration of renewable energy

Deep Dive: Chips 2.0

<10%

EU share of global chip production. 90%+ of advanced chips from Taiwan.

Key provisions

- A Cloud-Based Design Platform available across the Union
- €20–40B for advanced manufacturing (sub-3nm foundry, 2030–33)
- Grand Challenges: AI chips, automotive processors, quantum
- Demand Accelerators linking producers to anchor buyers
- Crisis intervention powers over supply chain allocation
- Competence centres in all EU Member States

➤ Relevance for EU–India Cooperation

- **Semiconductors:** India Semiconductor Mission + EU Chips 2.0 — complementary upstream (design) and downstream (packaging, OSAT) positioning
- **Supply chain resilience:** Bilateral early-warning mechanism and supply chain mapping exercise
- **Skills pipeline:** NIELIT / IITs — semiconductor talent cooperation
- **Strategic Partnerships:** Formal basis for a structured EU–India semiconductor cooperation framework

Cloud and AI Development Act (CADA)

~70%

EU cloud market held by AWS, Azure and GCP. CADA targets structural reversal.

Key provisions

- Triples EU data centre capacity within 5–7 years (~€200B)
- 4 sovereignty tiers (Levels 1–4) — Level 4 excludes non-EU providers
- 8 Grand Challenges: frontier AI, industrial AI, physical AI, agents...
- Data centre acceleration zones with streamlined permitting

➤ Relevance for EU–India Cooperation

- **AI governance:** Under India's AI Mission, it is developing BharatGen, a shared sovereign compute agenda
- **AI Factories:** EU AI Factories + India's AI compute subsidy model: co-develop Industrial AI pilot
- **Federated AI:** Cooperative AI Models Grand Challenge aligns with India's Account Aggregator federated data model
- **Digital skilling:** Under the IndiaAI Mission, talent and skills is a separate pillar
- **Trusted partner market:** India as a non-US, non-China deployment target for EU cloud stack. For instance, earlier in June Tata launched their Sovereign Cloud solution in the EU



6 areas

Semiconductors, cloud, AI, cybersecurity, operating systems, digital identity.

Key provisions

- Open Internet Stack: EU-compliant open alternatives catalogue
- Embedded into EUDI Wallet and European Business Wallet
- Open Source Maintenance Instrument for long-term sustainability
- International outreach: support EU-grown tools in partner countries

➤ Relevance for EU–India Cooperation

- **DPI alignment:** India's Digital Public Infrastructure also promotes open, interoperable infrastructure as a global standard
- **International outreach:** India a natural partner for EU open tools deployment in Global South under the Trilateral Cooperation



Factors At Play

At the EU

- **Supply chain shock:** ~80% of EU digital tech from non-EU providers
- **Concerns with the US CLOUD Act:** Extraterritorial reach over EU data; ~70% EU cloud market US-controlled
- **Chip shortages 2021–23:** Exposed automotive, defence and industrial vulnerabilities
- **AI geopolitics:** US–China duopoly in frontier AI directly threatens EU competitiveness
- **Von der Leyen :** 'Technological sovereignty' named a top-line Commission priority

Shared interests

- Sovereign compute
- Chip independence
- Open HW (RISC-V)
- DPI / open infra
- Trusted AI models
- Data localisation
- Multipolar tech order

India Drivers

- **Atmanirbhar Bharat:** Self-reliance in critical tech as state policy and advocating for Zoho over Microsoft, Mappls over Google Maps
- **DPDP Act:** Data localisation push & MeitY's drive for indigenous platforms
- **India Semiconductor Mission:** Domestic chip design + OSAT capacity
- **AI sovereignty:** BharatGen + IndiaAI Mission aim to shift from AI consumer to AI creator and exporter
- **DPI leadership:** India Stack as global model for open, sovereign digital infrastructure
- **Multipolarity:** India positions itself as a third pole to US–China tech dominance

Assessing the package: strengths, gaps & open questions

Praised

- ✓ Most consequential EU digital policy since GDPR — a genuine strategic step change
- ✓ Holistic 'full stack': chips → cloud → AI → software → energy in one package
- ✓ CADA sovereignty tiers: pragmatic, graduated approach to procurement risk
- ✓ Chips 2.0 Demand Accelerators fix the original Act's missing demand-side logic
- ✓ Open source: structural tailwind for EU GovTech (IONOS, OVHcloud, Nextcloud)
- ✓ Strategic Partnerships clause opens door to structured EU–India cooperation

Flagged

- X 'Sovereignty washing' (Art. 19): Levels 1–3 still allow non-EU Big Tech; only Level 4 fully excludes non-EU
- X Chips 2.0: no binding investment commitments; EU fabs still cost far more than East Asia
- X Tony Blair Institute: 'full retreat into Europe-first will leave the continent weaker'
- X Open source non-binding — 'encouraged' not mandated; public sector inertia likely
- X CADA runs alongside Digital Omnibus which weakens AI Act + GDPR protections
- X Timeline: Chips 2.0 + CADA not finalised before end-2027; US lobbying may dilute

Open questions

- ? Will Member States back the ~€200B CADA investment scale?
- ? Can EU attract anchor customers for new fabs before 2030–33? (Intel – Chip Factory rollback)
- ? How does EU define 'trusted country' under CADA? Where does India sit?
- ? Will US tech firms water down requirements during Parliament co-decision?
- ? Can TTC proactively shape the Strategic Partnerships clause before finalisation?
- ? Window for bilateral input into the package architecture is NOW — 2025–26

EU Digital Package | Shaping Europe's Digital Future

Thank You

Sources & Further Reading

EU Primary Sources

- **Chips Act 2.0** [COM\(2026\) 504 → eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2026:504:FIN](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2026:504:FIN)
- **CADA** [COM\(2026\) 502 → eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2026:502:FIN](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2026:502:FIN)
- **EC Press Release** commission.europa.eu/news-and-media/news/strengthening-europes-tech-sovereignty-2026-06-03_en

Analysis & Commentary

- **cep Analysis** cep.eu/eu-topics/details/eu-tech-sovereignty-package.html
- **Covington / Global Policy Watch** globalpolicywatch.com/2026/06/eu-tech-sovereignty-package
- **Bird & Bird** twobirds.com/en/insights/2026/tech-sovereignty-package-an-overview
- **Inside Legal AI** insidelegalai.com/articles/the-european-commission-s-tech-sovereignty-package

Civil Society & Media

- **Article 19** article19.org/resources/sovereignty-washing-a-critical-reading-of-eus-tech-sovereignty-package
- **IEEE Spectrum** spectrum.ieee.org/europe-tech-sovereignty-package
- **CNBC** cnbc.com/2026/06/03/europe-tech-sovereignty-us-tech-reliance.html

India Digital Sovereignty Context

- **IndiaAI Mission** indiaai.gov.in
- **India Semiconductor Mission** semiconductors.india.gov.in
- **EU-India TTC Joint Statements** ec.europa.eu/commission/presscorner/detail/en/ip_23_3601
- **Draghi Report** commission.europa.eu/topics/strengthening-european-competitiveness/eu-competitiveness-looking-ahead_en

