

EN
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Answer given by Mr Breton
on behalf of the European Commission
(10.10.2022)

The Chips Act package sets out a framework to facilitate investments in large-scale production facilities, where no sufficiently reliable supply is available in the EU.

Large-scale production facilities that qualify for *first-of-a-kind* in the Union (i.e. capable of semiconductor manufacturing that is not yet substantively present or committed to be built) may benefit under the proposed Chips Act regulation from fast-track approval procedures.

The Chips Act Communication¹ clarifies the conditions under which such State aid to production facilities can be declared compatible on the basis of article 107(3)(c), as contributing to the development of the semiconductor supply chain. In the overall balancing of the positive effects of the aid against its negative effects on competition and trade, the Commission will also consider whether new production facilities are *first-of-a-kind* in the Union as well as the specific acute challenge of the semiconductor supply chain.

There are no requirements that such large-scale production facilities should be controlled by companies based in the EU, therefore Member States may consider supporting investments from international partners.

In the EU, several organisations play a unique role in the semiconductor value chain, particularly in Research and Development and essential equipment. This aspect, combined with a highly skilled workforce, a stable political climate, a conducive investment framework for large scale production and support to innovation along the Chips for Europe initiative make the EU attractive for investments. A few announcements of large-scale investments by international companies have been made already. The total amount of public investments will ultimately depend on the projects that will be supported by the Member States.

¹ <https://digital-strategy.ec.europa.eu/en/library/european-chips-act-communication-regulation-joint-undertaking-and-recommendation>