

Chips Act

2022/0032(COD) - 11/07/2023 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 587 votes to 10, with 38 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council establishing a framework of measures for strengthening Europe's semiconductor ecosystem and amending Regulation (EU) 2021/694 (Chips Act).

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the Commission proposal as follows:

Purpose and general objectives

The Regulation aims to establish a framework for **strengthening the semiconductor ecosystem at EU level**. Its first general objective is to ensure that the conditions necessary for the Union's competitiveness and capacity for innovation are met and to guarantee the industry's adaptation to structural change. The second, complementary, general objective is to improve the functioning of the internal market by establishing a uniform EU legal framework to increase resilience and security of supply in the EU in the field of semiconductor technologies.

Chips for Europe initiative

The Initiative aims to achieve **large-scale technological capacity building** and support related research and innovation activities throughout the Union's semiconductor value chain. It should also contribute to the achievement of the green and digital transitions, in particular by reducing the climate impact of electronic systems, improving the sustainability of next-generation chips and strengthening the circular economy processes, contribute to **quality jobs** within the semiconductor ecosystem and address security-by-design principles, which provide protection against cybersecurity threats.

The 5 operational objectives of the initiative may include capacity-building activities and related research and innovation activities. All capacity-building activities will be funded under the Digital Europe programme and related research and innovation activities will be funded under Horizon Europe.

European chips infrastructure consortiums

For the purpose of implementing actions funded under the Initiative, a legal entity may be established in the form of a European chips infrastructure consortium (ECIC). An ECIC should be established by at least three members (founding members), namely Member States, or public or private legal entities from at least three Member States, or a combination thereof, with a view to achieving broad representation across the Union.

Application for status as integrated production facility or open EU foundry

Integrated Production Facilities and Open Foundries in the EU are pioneering facilities for semiconductor manufacturing. Their creation should have a **clear positive impact**, extending beyond the individual company or Member State, on the EU semiconductor value chain in the medium to long term to ensure the security of supply and resilience of the semiconductor ecosystem, including the **growth of start-ups and SMEs**, contributing to the EU's green and digital transitions.

They will (i) invest in the Union in continued innovation with a view to achieving concrete advances in semiconductor technology or preparing next-generation technologies; (ii) support the Union talent pipeline by developing and deploying educational and skills training and by increasing the pool of qualified and skilled workforce.

The Commission may award a **label of ‘design centre of excellence’** to design centres established in the Union that significantly enhance the Union’s capabilities in innovative chip design through their service offerings or through the development, promotion and strengthening of design skills and capabilities.

Fast-tracking of permit-granting procedures

Member States should ensure that administrative applications related to the planning, construction and operation of integrated production facilities and open EU foundries are processed in an efficient, transparent and timely manner. To that end, all national authorities concerned should ensure that the most rapid treatment legally possible is given to these applications in a manner that fully respects national law and procedure. Where such a status exists in national law, integrated production facilities and open EU foundries should be allocated the **status of the highest national significance** possible and be treated as such in permit-granting processes.

Strategic mapping of the Union’s semiconductor sector

The Commission should carry out a strategic mapping of the Union’s semiconductor sector which will provide an **analysis of the Union’s strengths and weaknesses** in the global semiconductor sector and identify factors such as: (i) key products and critical infrastructures in the internal market that are depending on the supply of semiconductors; (ii) main user industries in the Union and their current and expected needs and dependencies; (iii) the technological characteristics, the dependencies on third-country technology and providers, and bottlenecks of the Union’s semiconductor sector including access to inputs; (iv) current and expected needs for skills and effective access to qualified workforce in the semiconductor sector.

Alerts and preventive action

The Commission, in consultation with the European Semiconductor Council, will regularly monitor the semiconductor value chain in order to identify factors that could disrupt, jeopardise or adversely affect the supply of or trade in semiconductors.

If a competent national authority becomes aware of a risk of serious disruption to the supply of semiconductors, it should alert the Commission without delay. Where the **crisis stage** is activated, the Commission may, upon the request of two or more Member States, act as a central purchasing body on behalf of all Member States willing to participate for their public procurement of crisis-relevant products for critical sectors.

Digital Europe Programme (budget)

The financial envelope for the implementation of the Programme for the period from 1 January 2021 to 31 December 2027 should be **EUR 8 168 000 000** in current prices, broken down as follows:

- EUR 2 019 914 000 for Specific Objective 1 – High Performance Computing;
- EUR 1 663 956 000 for Specific Objective 2 – Artificial Intelligence;
- EUR 1 399 566 000 for Specific Objective 3 – Cybersecurity and Trust;

- EUR 507 347 000 for Specific Objective 4 – Advanced Digital Skills;
- EUR 1 002 217 000 for Specific Objective 5 – Deployment and Best Use of Digital Capacities and Interoperability;
- **EUR 1 575 000 000 for Specific Objective 6 – Semiconductors.**