












Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	2022/0032(COD) Awaiting Parliament's position in 1st reading
Chips Act	
Subject 3.40.06 Electronics, electrotechnical industries, ICT, robotics	
Legislative priorities Joint Declaration 2022 Joint Declaration 2023-24	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ITRE Industry, Research and Energy	 NICA Dan Shadow rapporteur  MAYDELL Eva  GROOTHUIS Bart  HAHN Henrike  DAUCHY Marie  NISSINEN Johan  BOTENGA Marc	29/03/2022
	Committee for opinion BUDG Budgets	Rapporteur for opinion  RESSLER Karlo	Appointed 11/03/2022
	IMCO Internal Market and Consumer Protection (Associated committee)	 LEITÃO-MARQUES Maria-Manuel	31/03/2022
	ECON Economic and Monetary Affairs	 MAYDELL Eva	03/03/2022
	INTA International Trade	 BOURGEOIS Geert	16/05/2022

Council of the European Union
European Commission

Commission DG

Commissioner

[Communications Networks, Content and Technology](#) BRETON Thierry

European Economic and
Social Committee

Key events

09/02/2022	Legislative proposal published	COM(2022)0046	Summary
07/03/2022	Committee referral announced in Parliament, 1st reading		
07/07/2022	Referral to associated committees announced in Parliament		
24/01/2023	Vote in committee, 1st reading		
24/01/2023	Committee decision to open interinstitutional negotiations with report adopted in committee		
31/01/2023	Committee report tabled for plenary, 1st reading	A9-0014/2023	Summary
13/02/2023	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 71)		
15/02/2023	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71)		
22/05/2023	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE749.080 GEDA/A/(2023)003327	

Forecasts

10/07/2023	Indicative plenary sitting date
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Technical information

Procedure reference	2022/0032(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Treaty on the Functioning of the EU TFEU 114; Rules of Procedure EP 57; Treaty on the Functioning of the EU TFEU 183; Treaty on the Functioning of the EU TFEU 173-p3; Treaty on the Functioning of the EU TFEU 182-p1
Other legal basis	Rules of Procedure EP 159
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Awaiting Parliament's position in 1st reading
Committee dossier	ITRE/9/08359

Documentation gateway					
Legislative proposal		COM(2022)0046	09/02/2022	EC	Summary
Economic and Social Committee: opinion, report		CES1354/2022	15/06/2022	ESC	
Committee draft report		PE731.655	19/09/2022	EP	
Committee of the Regions: opinion		CDR1960/2022	12/10/2022	CofR	
Amendments tabled in committee		PE737.266	18/10/2022	EP	
Amendments tabled in committee		PE737.348	18/10/2022	EP	
Amendments tabled in committee		PE737.359	18/10/2022	EP	
Committee opinion	ECON	PE732.593	15/11/2022	EP	
Committee opinion	BUDG	PE734.234	18/11/2022	EP	
Committee opinion	JURI	PE736.697	01/12/2022	EP	
Committee opinion	INTA	PE735.744	05/12/2022	EP	
Committee opinion	IMCO	PE735.490	14/12/2022	EP	
Committee report tabled for plenary, 1st reading/single reading		A9-0014/2023	31/01/2023	EP	Summary
Coreper letter confirming interinstitutional agreement		GEDA/A/(2023)003327	10/05/2023	CSL	

Additional information		
Research document	Briefing	12/07/2022

Chips Act

PURPOSE: to establish a framework of measures for strengthening the semiconductor ecosystem in the Union (Chips Act).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: within the past year, Europe has witnessed disruptions in the supply of chips, causing shortages across multiple economic sectors and potentially serious societal consequences. Many European sectors, including automotive, energy, communication and health as well as strategic sectors such as defence, security, and space are under threat by such supply disruptions.

The current supply shortage is a symptom of permanent and serious structural deficiencies in the Unions semiconductor value and supply chain. The global semiconductor shortage has exposed European dependency on supply from a limited number of companies and geographies, and its vulnerability to third country export restrictions and other disruptions in the present geopolitical context.

The proposal aims at reaching the strategic objective of increasing the resilience of Europes semiconductor ecosystem and increasing its global market share. It also aims at facilitating early adoption of new chips by European industry and increasing its competitiveness.

The European Chips Strategy is articulated around five strategic objectives. Europe should:

- (1) strengthen its research and technology leadership;
- (2) build and reinforce its own capacity to innovate in the design, manufacturing and packaging of advanced chips, and turn them into commercial products;
- (3) put in place an adequate framework to increase substantially its production capacity by 2030;
- (4) address the acute skills shortage, attract new talent and support the emergence of a skilled workforce;
- (5) develop an in-depth understanding of global semiconductor supply chains.

CONTENT: the proposed Regulation establishes a framework for strengthening the semiconductor sector at EU level, including the following measures:

(1) Set up the Chips for Europe Initiative which is designed to strengthen the Union's competitiveness, resilience and innovation capacity. This initiative aims to support large-scale technological capacity building across the Union in existing, advanced and new generation semiconductor technologies. The initiative will:

- set up an innovative virtual design platform to strengthen Europe's design capacity, which will be accessible under open, non-discriminatory and transparent conditions;
- support pilot lines that provide third parties with the means to test, validate and further develop the products they design under open, transparent and non-discriminatory conditions;
- contribute to the development of advanced technologies and engineering capacities to accelerate the innovative development of quantum chips;
- support a network of competence centres across the EU that will provide expertise to stakeholders and improve their skills;
- support the activities of the Chips Fund which will facilitate access to finance for start-ups to help them mature their innovations and attract investors.

The Regulation provides for a procedural framework to facilitate combined funding from Member States, investment without prejudice with State aid rules, the Union budget and private investment.

(2) A new framework to ensure security of supply: to attract investment and enhance production capacity in semiconductor manufacturing, advanced packaging, testing and assembly via first-of-a-kind integrated production facilities and open EU Foundries.

In particular, the proposal sets out criteria to facilitate the implementation of specific projects that contribute to the security of supply of semiconductors in the Union. Facilities that are recognised by the Commission as EU integrated production facilities or EU open foundries will be considered as contributing to the security of supply of semiconductors in the Union and thus as serving the public interest.

(3) The establishment of a coordination mechanism between Member States and the Commission for monitoring semiconductor supply and responding to crisis situations in the event of semiconductor shortages.

This mechanism will strengthen collaboration with and across Member States, monitor the supply of semiconductors, estimate demand, anticipate shortages, trigger the activation of a crisis stage and act through a dedicated toolbox of measures.

Budgetary impact

The EU budget will support the Chips for Europe initiative with a total amount of up to EUR 3.3 billion, of which EUR 1.65 billion through the [Horizon Europe programme](#) and EUR 1.65 billion through the [Digital Europe programme](#). Of this total, EUR 2.875 billion will be implemented through the Chips Joint Undertaking, EUR 125 million through InvestEU and EUR 300 million through the Connecting Europe Facility (CEF).

Chips Act

The Committee on Industry, Research and Energy adopted the report by Dan NICA (S&D, RO) 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 (Chips Act).

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Subject matter

The proposed Regulation establishes a framework for strengthening the semiconductor sector at Union level, in particular through the following measures:

- establishment of the Chips for Europe Initiative;
- setting the criteria to recognise and to support first-of-a-kind Integrated Production Facilities, Open EU Foundries and first-of-a-kind facilities that foster the security of supply and the resilience of the semiconductor ecosystem and deployment of novel and innovative semiconductor technologies in the Union;
- setting up a coordination mechanism between the Member States and the Commission, for mapping and monitoring the semiconductor value chain and, where relevant, consulting stakeholders from the semiconductor supply and value chain as well as stakeholders from critical sectors that might be affected by disruptions to the supply of semiconductors;
- developing crisis prevention and response tools in the semiconductor supply chain shortages with a view to ensuring the internal markets resilience and enabling the Union to play a stronger role at the global level.

Components and objectives of the Initiative

The general objective of the Initiative is to increase the competitiveness and resilience of the Union's semiconductor ecosystem by supporting technological capacity building research and innovation throughout the Unions semiconductor supply and value chain and by enabling the development and deployment of cutting-edge and next generation semiconductor and semiconductor technologies for quantum chips and the development and innovation of established technologies. This is intended to reinforce the Unions advanced design, systems integration and chips production capabilities, packaging, and manufacturing equipment as well as to contribute to achieving the twin digital and green transition, to improve quality employment, while strengthening the sustainability circular economy processes and addressing security needs and cybersecurity threats.

The Initiative should have five operational objectives:

- operational objective 1: building up advanced design capacities for integrated semiconductor technologies;
- operational objective 2: enhancing existing and developing new advanced pilot lines while ensuring geographical balance;

- operational objective 3: building advanced technology and engineering capacities for accelerating the innovative development of cutting-edge and next generation quantum chips;

- operational objective 4: creating a network of competence centres across the Union;

- operational objective 5: undertaking activities, to be described collectively as Chips Fund activities that ensure clear guidance and facilitate access to debt financing and equity by start-ups, scale-ups, and SMEs and other companies in the semiconductor value chain, through a blending facility under the InvestEU Fund and via the European Innovation Council.

European Chips Infrastructure Consortium

With a view to creating a pan-European ecosystem within the internal market where knowledge, expertise, resources and existing strengths are pooled and to accelerating implementation of the actions of the Initiative, it is necessary to provide an option of implementing some of the Initiative actions, in particular on pilot lines, through a new legal instrument, the European Chips Infrastructure Consortium (ECIC). Members proposed that the ECIC should be set up by at least three members, comprising Member States, public or private legal entities from at least three Member States, or a combination thereof, ensuring the geographically balanced representation.

Long-term strategic mapping and monitoring

The report suggested that the Commission should carry out a long-term strategic mapping of the Unions semiconductor value chain in cooperation with the national competent authorities, with the aim of identifying early warning indicators, of building knowledge and capacity to inform future industrial policy measures and assess the Unions strengths and weaknesses in the global semiconductor value chain. A coordinated approach to monitoring of the semiconductor value chains is needed to mitigate possible market disruptions.

International cooperation

According to Members, international cooperation with third countries is an important element to achieve a resilience of the Unions semiconductor ecosystem. Therefore, the Commission should pursue cooperation with relevant third countries on mutual support and benefits in the field of semiconductor supply, building on complementarities and interdependencies along the semiconductor supply chain, in accordance with international obligations.

New budget resources

The report stated that the amount of the financial resources dedicated to the Chips initiative should be drawn from the unallocated margins under the Multiannual Financial Framework (MFF) ceilings or mobilised through the non-thematic MFF special instruments. EUR 1.65 billion for the initiative under the Digital Europe Programme should be additional to the funding of existing objectives and should not reduce their financial envelope: the allocation of funds to the first five specific objectives should therefore be maintained, while an additional EUR 1.65 billion should be allocated to a new specific objective for the initiative.

Transparency					
GROOTHUIS Bart	Shadow rapporteur		ITRE	31/03/2023	Nexperia
GROOTHUIS Bart	Shadow rapporteur		ITRE	31/03/2023	NXP Semiconductors Netherlands B.V.
GROOTHUIS Bart	Shadow rapporteur		ITRE	23/03/2023	Digital Europe
GROOTHUIS Bart	Shadow rapporteur		ITRE	23/03/2023	ESIA
GROOTHUIS Bart	Shadow rapporteur		ITRE	22/03/2023	ESIA
GROOTHUIS Bart	Shadow rapporteur		ITRE	20/03/2023	Digital Europe
GROOTHUIS Bart	Shadow rapporteur		ITRE	15/03/2023	ASML Netherlands B.V.
GROOTHUIS Bart	Shadow rapporteur		ITRE	15/03/2023	ESIA
GROOTHUIS Bart	Shadow rapporteur		ITRE	15/03/2023	Vereniging VNO-NCW
GROOTHUIS Bart	Shadow rapporteur		ITRE	08/03/2023	Institut Montaigne
VAN BREMPT Kathleen	Member	01/12/2022		IMEC	
SANT Alfred	Member	13/10/2022		STMicroelectronics	

SANT Alfred	Member	28/09/2022	Malta enterprise	
HAHN Svenja	Member	14/09/2022	Intel Corporation	