



**An Roinn Fiontar,
Trádála agus Fostaíochta**
Department of Enterprise,
Trade and Employment

Public Consultation on the European Chips Act



Subject of the Public Consultation

The Department of Enterprise, Trade and Employment is seeking the views of stakeholders on the European Chips Act, proposed by the European Commission on the 8th of February 2022.

Stakeholders are asked to submit written contributions on the proposal by the 18th of March 2022. DETE will represent Ireland at negotiations on the Commission's proposals over coming months and responses to the consultation will help inform the work to be undertaken by the Department in this area.

Background

Semiconductor chips are central to the digital economy and are used in numerous everyday products including smartphones and cars. They have critical application for health, energy, communications, and automation and as such, are central to the European Union's digital and green transitions. However, the world is currently facing a shortage in semiconductor chips and the recent crisis in the European supply chain has revealed structural vulnerabilities in the European value chain.

The European Chips Act is the European Commission's response to this shortage of supply and proposes a suite of measures to bolster Europe's semiconductor industry. The measures included in the Act will increase Europe's production of semiconductor chips, build our capacity and skills to innovate the design, manufacture and packing of chips and strengthen Europe's research and development capabilities in this sector. They will also enable us to develop a deep understanding of the global semiconductor supply chain.

The Department of Enterprise, Trade and Employment recommends readers to visit the European Commission website which provides further information on the proposal. The Commission's Proposal and accompanying texts are available on the Commission's website:

- Proposal for a Regulation establishing a framework of measures for strengthening Europe's semiconductor ecosystem (Chips Act).
<https://ec.europa.eu/newsroom/dae/redirection/document/83090>
- Commission Recommendation on a common Union toolbox to address semiconductor shortages and an EU mechanism for monitoring the semiconductor ecosystem:
<https://ec.europa.eu/newsroom/dae/redirection/document/83095>
- Communication from the Commission: A Chips Act for Europe:
<https://ec.europa.eu/newsroom/dae/redirection/document/83086>
- European Chips Act – Questions and Answers: [European Chips Act - Questions and Answers \(europa.eu\)](#)

The European Commission has also launched a targeted stakeholder consultation available at [EUSurvey - Survey \(europa.eu\)](https://europa.eu/european-commission/survey/eu-survey). The Commission's consultation will be open until **20 March 2022**.

Objective

The purpose of the proposed Chips Act is to jointly create a state-of-the-art European chip ecosystem including production. To fulfil this vision, the European chips strategy is articulated around five objectives:

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

Structure

The Chips Act is built on three distinct pillars, and we invite respondents to submit their views under each of the three headings: 1. A Chips for Europe Initiative; 2. A framework to ensure security of supply; 3. A coordination mechanism between Member States.

Pillar 1: A CHIPS FOR EUROPE INITIATIVE

The Chips for Europe Initiative will develop Europe's tech leadership by ensuring that infrastructure and industry are harmonized with EU research and development. This will strengthen capacity by bringing innovation from the lab right through to the design and manufacture of chips.

The Initiative will include an open-access virtual design platform to stimulate cooperation among users at every stage of development. The Initiative will also support pilot lines to enable third parties to test, validate, and further develop their product design. Furthermore, it will support a network of competence centres across the EU that will provide expertise to stakeholders. The Initiative will be implemented by means of the Chips Joint Undertaking, a Joint Undertaking under Horizon Europe.

A 'Chips Fund' will provide increased availability of funds to support the growth of start-ups, scale-ups, and SMEs.

PILLAR 2: A FRAMEWORK TO ENSURE SECURITY OF SUPPLY

This framework will strengthen security of supply by introducing guiding rules for investment and enhancing production capacities in semiconductor manufacture. It will promote integrated production facilities and open foundries as well as advanced packaging, testing, and assembly as part of integrated production facilities. The framework will lay down criteria for State Aid and assess the impact of investments for the EU economy.

PILLAR 3: A COORDINATION MECHANISM BETWEEN MEMBER STATES AND THE COMMISSION

The proposed mechanism will monitor supply and anticipate shortages of the supply of semiconductor chips. It will facilitate crisis coordination mechanism between Member States and strong Commission powers during times of crisis. A Semiconductor Board will be established to monitor the semiconductor value chain. Taking advice from this Board, the Commission may trigger a crisis stage, via an implementing act, that would enable an emergency toolbox. This toolbox would include export control mechanisms.

Consultation Responses

Stakeholder views are welcomed from interested parties, including manufacturing industry, the research community and beyond to end users. We ask that respondents structure their responses according to the three pillars outlined above, responding to one or more of the pillars as appropriate.

Views from stakeholders and interested parties on the proposed regulation are requested no later than **5pm on Friday 18 March 2022**. Submissions should be marked “European Chips Act” and should be emailed to EUChipsAct@enterprise.gov.ie. Further queries can also be made to EUChipsAct@enterprise.gov.ie.

Information on Consultation Process

Freedom of Information Act 2014 and Publication of Submissions

The Department will make public on its website all submissions received under this consultation. Your attention is also drawn to the fact that information provided to the Department may be disclosed in response to a request under the Freedom of Information Act 2014. Therefore, should you consider that any information you provide is commercially sensitive, please identify same, and specify the reason for its sensitivity. The Department will consult with you regarding information identified by you as sensitive before publishing or otherwise disclosing it.

General Data Protection Regulation

Respondents should note that the General Data Protection Regulation ('GDPR') entered into force in Ireland on 25th May 2018 and it is intended to give individuals more control over their personal data. The key principles under the Regulation are as follows:

- Lawfulness, fairness and transparency;
- Purpose limitation;
- Data minimisation;
- Accuracy;
- Storage limitation;
- Integrity and confidentiality;
- Accountability.

The Department of Enterprise, Trade and Employment is subject to the provisions of the Regulation in relation to personal data collected by it from 25 May 2018. Any personal information which you volunteer to this Department, will be treated with the highest standards of security and confidentiality, strictly in accordance with the Data Protection Acts 1988 to 2018.