



EU Chips Act: priorities, geopolitics, resources – the debate goes on

Introduction

After [agreement](#) in the Council of the EU, on 1 December 2022 the EU's [Competitiveness Council](#) adopted a 'general approach on the Chips Act'. This means EU member states have opened the way for approval of the proposed EU [Chips Act](#). And along with it, the 43 billion euros of public and private investment aimed at boosting R&D and greater resilience in EU semiconductor supply chains. Next, the Act moves on for debate in the European Parliament (EP) in 2023, and ultimately a vote that passes it into law.

The parliamentarians will have much to consider. Since its launch on 8 February 2022, industry and policy makers have widely welcomed the EU Chips Act and its aims. It has also triggered new inward investment in the EU, including Intel's [announcement](#) of a projected 80 billion euros over the next decade.

Meanwhile, the EU–US Trade and Technology [Council](#) (TTC) is seeking to further leverage benefits from joint initiatives on supply chain resilience. And elsewhere in the world, the EU aims to cooperate with "like-minded" partners – such as Japan, South Korea, and Taiwan – to bolster its supply chain resilience more broadly.

Nonetheless, many questions have been raised over exactly what Europe's priorities should be. How far to focus on expanding production capacity in Europe, and for which chips – leading-edge or also mature nodes? And where should the balance be between funding R&D and funding increased manufacturing capacity?

The Chips Act proposals are also set against a volatile geopolitical situation. This has led major producer countries to adopt strategies to boost their own national industries. Plus, there is the vital issue of resources. Where will the money come from? And what of the necessary materials and the highly skilled workforce?

The European institutions' position

Institutions within the European Union (EU) have set out their positions in various research and policy papers. Among them, the European Commission (EC) detailed its side of the argument in a [Staff Working Document](#) published in May 2022.

Later, in October, the European Parliamentary Research Service provided MEPs and other EU policy makers with a detailed strategic research [paper](#) and posed a series of questions to guide their decision making. The Parliament's Industry, Research and Energy Committee (ITRE) also published its draft [report](#) on the proposed Act in October.

This series of three articles 'Priorities, Geopolitics and Resources' takes a look at some key issues in the ongoing debate.