

## Feedback – Chips Act

The Swedish Agency for Economic and Regional Growth (Tillväxtverket) is a government agency under the Ministry of Climate and Enterprise. The agency works to ensure competitive companies and sustainable development in all parts of Sweden. The agency is implementing body for pillar II and III of the current Chips Act and our input below is based on our experience thus far.

The fact that a Chips Act was introduced in the EU has brought greater focus to the semiconductor sector, which is a positive development given how significant these components are for industrial manufactured products used within many areas including the 13 critical sectors. We welcome the fact that the Act has led to increased interconnections between research and production, as well as a deeper collaboration between a variety of actors throughout the EU. In addition, our experience as an implementing agency is that having requirements for Member States to engage with key market actors is of considerable importance to ensure that information can be obtained quickly in the event of shocks or other unexpected occurrences.

Based on our experience thus far there are also important areas that merit further attention:

- The continuation of infrastructure established under the current regulation, such as pilot lines and competence centres, and securing long-term access to these for researchers and companies from across Europe is of the utmost importance.
- First of a kind (FOAK) can serve as a positive mark for companies. Therefore, we consider the designation of FOAK-status should be based only on innovation and technological development, i.e. not a requirement of a guarantee for state aid. Tillväxtverket is the implementing body for parts of the Net Zero Industry Act and there is no requirement for guaranteed state aid in that act (regarding attaining status as strategic net zero project).
- It is important that projects can attract private capital at all stages of development and a FOAK-status can be one way of achieving this. However, the focus areas for the EU should be based on existing strengths, i.e. where the EU has leading competence in excellent research environments.
- As addressed in the introduction, it is important for member states to be able to collect information quickly. However, continuous collection of detailed statistics risks imposing cost on companies. Our experience is that data on a general level is sufficient in most cases, detailed information is only needed in specific situations. In other words, it is important that neither the EU nor its member states impose unnecessary administrative burdens on these companies while not in a crisis. Such burdens can, in the worst case, lead companies to relocate outside the EU. Tillväxtverket works close to leading companies and industrial organisations. This makes it possible to collect information on a detailed level.

Based on that experience, we do not see any reason to put extra requirements on the companies in EU. We are more than willing to share how we work to gather this information efficiently.

- The current Chips Act focuses on advanced chips, but the recent crisis is based on legacy chips and back-end production capacity. This demonstrates that only focusing on advanced chips might be too narrow of an approach.