



State aid: Commission approves up to €8.1 billion of public support by fourteen Member States for an Important Project of Common European Interest in microelectronics and communication technologies

Brussels, 8 June 2023

The Commission has approved, under EU State aid rules, an Important Project of Common European Interest ('IPCEI') to support research, innovation and the first industrial deployment of microelectronics and communication technologies across the value chain.

The project, called "**IPCEI ME/CT**", was jointly prepared and notified by fourteen Member States: Austria, Czechia, Finland, France, Germany, Greece, Ireland, Italy, Malta, the Netherlands, Poland, Romania, Slovakia and Spain.

The Member States will provide up to €8.1 billion in public funding, which is expected to unlock additional €13.7 billion in private investments. As part of this IPCEI, 56 companies, including small and medium-sized enterprises ('SMEs') and start-ups, will undertake 68 projects.

IPCEI ME/CT

The IPCEI ME/CT concerns research and development projects covering microelectronics and communication technologies across the whole value chain from materials and tools to the chip designs and manufacturing processes.

These projects aim at enabling the digital and green transformation by: (i) **creating innovative microelectronics and communication solutions**, and (ii) **developing energy-efficient and resource-saving electronics systems and manufacturing methods**. They will contribute to the technological advancement of many sectors, including communications (5G and 6G), autonomous driving, artificial intelligence and quantum computing. They will also support companies active in the energy generation, distribution and use in their green transition.

First novel products may be introduced to the market as early as 2025 and the completion of the overall project is planned for 2032, with timelines varying in function of the project and the companies involved. Around 8.700 direct jobs are expected to be created, and many more indirect ones.

IPCEI ME/CT follows and complements the first IPCEI to support research and innovation in the field of microelectronics, approved by the Commission in [December 2018](#).

The Commission assessment

The Commission assessed the proposed IPCEI under EU State aid rules, more specifically its 2021 [Communication on Important Projects of Common European Interest](#) ('IPCEI Communication'). Where private initiatives supporting breakthrough innovation fail to materialise because of the significant risks such projects entail, the IPCEI rules enable Member States to jointly fill the gap to overcome these important market failures. At the same time, the IPCEI rules ensure that the EU economy at large benefits from the supported investments and limit potential distortions to competition.

The Commission has found that the IPCEI ME/CT fulfils the required conditions set out in its Communication and is in line with State aid rules.

In particular, the Commission concluded that:

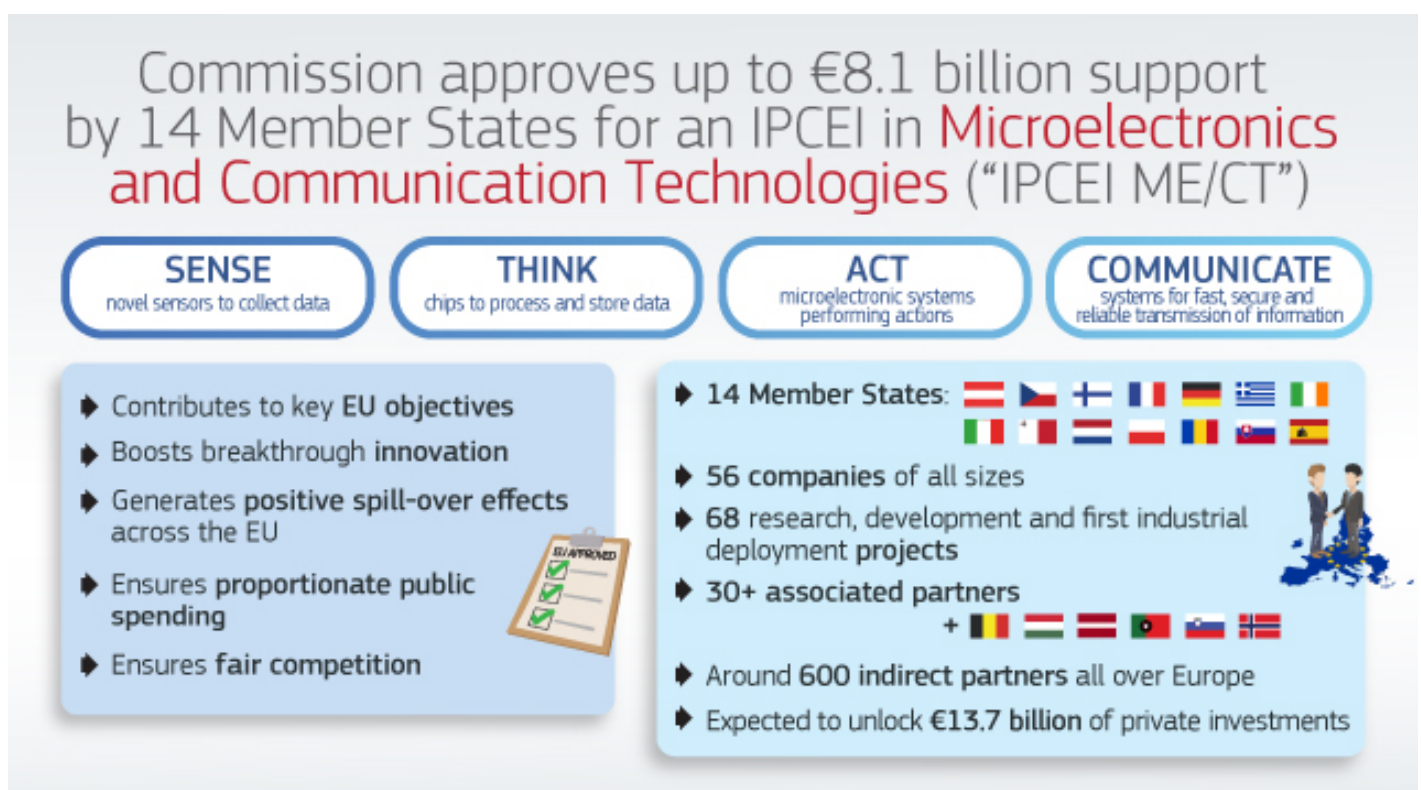
- The IPCEI ME/CT directly contributes to achieving several **EU objectives** of a greener, digital, more secure, resilient and sovereign economy set out in key EU policy initiatives, such as the [Europe's Digital Decade](#) and the [European Green Deal](#).
- All 68 projects part of the IPCEI are highly ambitious, as they aim at **developing technologies that go beyond what the market currently offers** and will allow major improvements, notably in the areas of sensors, high performance processors, microprocessors including artificial intelligence, actuators and communication means for secure data exchange.

- The IPCEI also involves significant technological and financial risks. Therefore, **public support is necessary to provide incentives to companies to carry out the investment.**
- Aid to individual companies is limited to what is **necessary, proportionate and does not unduly distort competition.** In particular, the Commission has verified that the total planned maximum aid amounts are in line with the eligible costs of the projects and their funding gaps. Furthermore, if large projects covered by the IPCEI turn out to be very successful, generating extra net revenues, the companies will return part of the aid received to the respective Member State (**claw-back mechanism**).
- The results of the project will be widely shared by participating companies benefitting from the public support with the European scientific community and industry beyond the companies and countries that are part of the IPCEI, including through conferences, publications, access to pilot and production facilities or licensing of intellectual property rights. As a result, **positive spill-over effects will be generated throughout Europe.**

Funding, participants and structure of the IPCEI

The IPCEI involves **68 projects from 56 companies**. These direct participants will closely cooperate through more than 180 envisaged cross-border collaborations.

The figure below presents the overall structure of IPCEI ME/CT, including the individual workstreams:



The 68 projects are part of the wider **IPCEI ME/CT ecosystem** involving over 30 associated participants, including universities, research organisations and companies located in five additional EU Member States (Belgium, Hungary, Latvia, Portugal, and Slovenia) and Norway. Public support to projects handled by research organisation do not require the Commission's approval, as it does not qualify as aid. The companies, which seek limited aid amounts, can obtain the public support under [General Block Exemption Regulation](#), which therefore does not need to be notified to the Commission for approval. Their innovative projects are not considered part of the IPCEI as such.

The figure below presents the IPCEI ecosystem showing the direct participants and the associated participants:


Wider IPCEI ME/CT Ecosystem

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

T
THINK

A
ACT

C
COMMUNICATE

 Research Organisation

Direct Participants

ADVA  **C** Airbus  **C** Aledia  **A** Analog Devices  **A** ASML  **T**
AT&S  **STAC** AVL  **STAC** Bizzcom  **T** Black Semiconductor  **T**
Bosch   **STAC** Carl Zeiss  **T** Cudasip  **CT** Cognitive Innovations  **C**
Cologne Chip  **T** Continental Automotive    **AT** Continium Technologies  **CT**
EEMCO  **A** Elmos Semiconductor  **STA** Ericsson  **C**
Ferroelectric Memory  **ST** Freiburger Compound Materials  **AC**
GlobalFoundries  **TAC** Infineon   **SA** Innova IRV Microelectronics  **C**
KDPOF  **SC** Lynred  **S** MEMC  **A** Menarini Silicon Biosystems  **S**
mi2-factory  **A** Mycroft Mind  **ST** Nearfield Instruments  **T** Nokia   **TC**
NXP     **STAC** Openchip  **T** Orange  **C** OSRAM Opto Semiconductors  **S**
Renault  **A** Rohde & Schwarz  **C** Semidynamics Technology Services  **T**
Semikron Elektronik   **TA** SGL Carbon  **A** SIAE Microelettronica  **C**
Soitec   **STAC** STMicroelectronics    **STAC** Sunlight Group  **T**
Tachyum   **TC** Teledyne   **STC** ThermoFisher  **ST** Trumpf Photonic   **SC**
United Monolithic Semiconductors  **C** Valeo  **A** Vigo Photonics  **S** Vitesco   **A**
Wacker Chemie    **STC** X-FAB    **STAC** ZF Friedrichshafen  **A**

Associated Participants

Akronic  **C** Analog Devices  **T** Ansys Hellas  **C** Applied Materials   **ST**
ATEP-AMKOR  **STAC** BelGan  **STAC** Beyond Semiconductor  **C**
CEA    **STAC**  CNR  **A**  DAS Photonics  **C** Derivados del Flúor    **STC**
Elaphe Propulsion Technologies  **A** Fondazione Bruno Kessler  **S** 
IMT Bucharest    iPronics  **C** Latvijas Mobilais Telefons 
Murata   **STA** Nanometrisis  **T** Nordic Semiconductor  **T**
NXP    **STAC** OPTOI  **S** PIC advanced  **C**
Silicon Austria Labs    **SAC**  SINTEF  **S**  Soitec    **SAC**
Swissbit Germany  Tungsram  UJP Praha 
VLC-Photonics  Vodafone  **C** Woptix 

Around 600 indirect partners

In addition, there are around 600 indirect partners which are companies or organisations that hold

collaboration agreements with one or more direct participants of IPCEI ME/CT and that can therefore benefit from the various dissemination activities.

Several Member States (Austria, Czechia, Finland, France, Germany, Italy, Latvia, Romania, Slovakia and Spain) included their participation in the IPCEI ME/CT in their Recovery and Resilience Plans. These Member States have the possibility to partly fund their projects through the Recovery and Resilience Facility.

More information on the amount of aid to individual participants will be available in the public version of the Commission's decision, once confidentiality issues have been resolved with Member States and third parties.

Background

The Commission's approval of this IPCEI is part of the wider Commission efforts to ensure a greener, digital, more secure, resilient, and sovereign European economy.

On 7 December 2020, 22 Member States signed a joint [Declaration on a European Initiative on Processors and semiconductor technologies](#), in which they stated their willingness to cooperate and co-invest in semiconductor technologies by mobilising industrial stakeholders through an alliance, addressing common challenges through various funding mechanisms and setting up a new IPCEI.

In [December 2018](#), the Commission approved, under EU State aid rules, the first IPCEI to support research and innovation in the field of microelectronics with a budget up to €1.75 billion. The project was jointly set-up and notified by France, Germany, Italy and the United Kingdom. This project, which aims at developing innovative microelectronics technologies and components for automotive, Internet of Things and other key applications (such as space, avionics, and security) and their first industrial deployment, originally involved 27 companies and two research organisations. In [March 2021](#), the Commission approved Austrian support in favour of three companies joining the project.

Today's decision concerns the sixth IPCEI approved under EU State aid rules. It is third IPCEI approved on the basis of the 2021 IPCEI Communication, setting out criteria under which several Member States can support transnational projects of strategic significance for the EU under [Article 107\(3\)\(b\) of the Treaty on the Functioning of the European Union](#). The Communication aims at encouraging Member States to support highly innovative projects that make a clear contribution to economic growth, jobs and competitiveness.

The IPCEI Communication complements other State aid rules such as the [Climate, Energy and Environment Aid Guidelines](#), the [General Block Exemption Regulation](#) and the [Framework for State aid for research and development and innovation](#), which allow supporting innovative and green projects whilst ensuring that potential competition distortions are limited.

The IPCEI Communication supports investments for research, development and innovation, first industrial deployment and construction of infrastructure on condition that the projects receiving this funding are highly innovative, of European relevance and do not cover mass production or commercial activities. They also require extensive dissemination and spillover commitments of new knowledge throughout the EU, as well as a detailed competition assessment to minimise any undue distortions in the internal market.

On [1 February 2023](#), the Commission announced in its Communication "[A Green Deal Industrial Plan for the Net-Zero Age](#)" that it would revise the General Block Exemption Regulation (GBER) in light of the Green Deal, increasing notification thresholds for support for green investments, in order to further streamline and simplify the roll-out of IPCEIs. On [9 March 2023](#), the Commission endorsed an amendment to the GBER whereby innovative IPCEI-related projects can receive aid up to €50 million without requiring notification to the Commission. At the same time, these projects are still recognised as part of the ecosystem created by the IPCEI.

In addition as part of its Green Deal Industrial Plan, on [1 February 2023](#), the Commission announced that it would prepare a Code of Good Practices ("Code") based on the knowledge, experience and lessons learned on the State aid assessments for previous and on-going IPCEIs, to ensure a more transparent, inclusive, faster and streamlined design and assessment of IPCEI projects. On 17 May 2023, the Commission published the Code on [DG COMP's dedicated IPCEI website](#). This Code constitutes a manual of good practices addressed to national authorities, the Coordinator Member State selected by the national authorities, companies benefitting from aid based on the IPCEI rules, and the Commission services. In addition, the Commission intends to organise regular technical meetings with Member States to share good practices, in order to further improve the IPCEI processes for all stakeholders and to ensure that all Member States can participate to future IPCEIs.

The non-confidential version of the decision will be made available under the case numbers SA.101202 (Austria), SA.101141 (Czechia), SA.101143 (Finland), SA.101193 (France), SA.101129

(Germany), SA.101210 (Greece), SA.101151 (Ireland), SA.101186 (Italy), SA.101201 (Malta), SA.101171 (the Netherlands), SA.101175 (Poland), SA.101192 (Romania), SA.101200 (Slovakia) and SA.101150 (Spain) in the [State Aid Register](#) on the [competition](#) website once any confidentiality issues have been resolved. New publications of state aid decisions on the internet and in the Official Journal are listed in the [State Aid Weekly e-News](#).

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Quotes:

Microelectronics and communication technologies are the backbone of any modern electronic device from mobile phones to medical equipment. This Important Project of Common European interest is the largest approved so far and the second on microelectronics. Innovation is essential to help Europe economy become greener and more resilient. But innovation can come with risks that the market alone is not ready to take. This is why State aid should be made available to fill such a gap.
Margrethe Vestager, Executive Vice-President in charge of competition policy - 08/06/2023

This latest IPCEI approved today is yet another demonstration of the EU Chips Act already triggering considerable public and private investment across the European semiconductor value chain: from materials to design, from equipment to advanced packaging. By investing in our innovative companies, we are investing in Europe's technological and industrial leadership in semiconductors, as well as our security of supply and economic security.
Thierry Breton, Commissioner for Internal Market - 08/06/2023

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