

(English version)

**Question for written answer E-004095/22
to the Commission
Piernicola Pedicini (Verts/ALE)
(16 December 2022)**

Subject: Italian Government's interference in investments in the south of the country

Intel has publicly announced that it plans to invest a total of EUR 80 billion in the European microchip industry over the next decade. We know that the Californian company has been in talks with the Commission about obtaining state aid for 40% of the value of the investment. In Italy, where the sector is already present, EUR 4.5 billion of the total investment had been earmarked for Catania until, under pressure from Minister Giorgetti, the decision was made to take the business to a northern region. Rather than working towards the objectives of bridging the territorial divide pursued by the Commission through the Recovery and Resilience Facility and cohesion policy, the Italian Government is therefore endeavouring to the opposite effect, diverting resources from disadvantaged areas to the north of the country, despite Catania's prowess in manufacturing microchips.

In view of the large amount of state aid the Italian Government will be providing alongside Intel's investment, does the Commission consider Italy's strategy — pursued in the negotiation with Intel during which it pushed for the investment in question to be diverted to the north of the country — to be compatible with the general objectives of closing territorial gaps as set out in the cohesion policy and Recovery and Resilience Facility?

Submitted: 16.12.2022

**Answer given by Executive Vice-President Vestager on behalf of the European Commission
(23 February 2023)**

It is for Member States to decide if they wish to grant state aid to a specific company or sector. If they decide to do so, it is up to them to design measures in line with state aid rules.

If a measure constitutes state aid within the meaning of EU law, Italy will have to notify the relevant measure to the Commission for assessment in advance of granting any state aid to beneficiaries (unless such aid is covered by a block exemption).

The Commission's role is to assess such measures to ensure that they are in line with the safeguards and conditions set out in state aid rules.

Existing competition rules, including state aid rules, will apply to the semiconductors sector to ensure that public support crowds in private investments and benefits the entire EU economy. As the Commission explained in the Chips Act Communication ⁽¹⁾, it will assess such projects directly under the Treaty on the Functioning of the EU (Article 107(3)(c)).

The Commission will assess each case on its own merits, considering the very specific challenges of the semiconductor value chain and its key role for the EU's economy. In its assessment of investments in chips production facilities the Commission will in particular consider:

- (i) if financed facilities are 'first-of a kind' in the EU
- (ii) if the public support is duly limited to only cover up to 100% of the proven funding gap (i.e. the minimum amount necessary to make sure such investments take place in the EU); and
- (iii) if there are additional positive effects to offset risks of competition distortion such as: positive effects on security of supply, positive contribution in attracting qualified workforce or positive impact on innovation in the EU. Positive contributions to cohesion and cross-border cooperation can also be considered relevant.

Cohesion policy objectives may be relevant under state aid rules, for example in the case of regional aid. It is, however, not always the case, as that depends on the main purpose of the state aid measure, even if the impact of a state aid in a less developed region may often be seen as a positive effect in the overall assessment.

For instance, this was the case in the recent case approved by the Commission concerning a measure contained in the Italian Recovery and Resilience Plan to support STMicroelectronics in the construction of a plant in the semiconductor value chain in Catania, Sicily ⁽²⁾.

⁽¹⁾ <https://digital-strategy.ec.europa.eu/en/library/european-chips-act-communication-regulation-joint-undertaking-and-recommendation>

⁽²⁾ https://ec.europa.eu/commission/presscorner/detail/en/ip_22_5970