

**Question for written answer E-000671/2022**  
**to the Commission**  
Rule 138  
**Svenja Hahn** (Renew)

**Subject:** The European Chips Act and its implications for competition and a functioning market

On 8 February 2022, the Commission published its proposal for a European Chips Act. Strengthening EU industry is an important goal, especially when it comes to technology. This includes producing hardware in the EU for groundbreaking technological products as well as ensuring EU research and development is strong and well-funded. However, several actors have raised concerns about the Commission's European Chips Act proposal regarding fair competition and the adaptation of State aid rules, which are in place for good reason. I would therefore like to know the answers to the following questions:

1. How will the Commission ensure that the principles of the social market economy are upheld and what is its stance, in this regard, on a possible subsidies race between the EU, the US and China?
2. What is its assessment of concerns that the EU is now pushing forward a supply of semiconductors to fight a gap that might only be temporary and that the European Chips Act could therefore lead to disinvestment of public money and market distortion?
3. What are its plans for possible overcapacity funded through State aid that might arise if microchip supply chains return to normal in one or two years, as some experts predict?