

Fire-hit chipmaker Renesas says recovery could take four months

March 30 2021



Renesas Electronics saw 600 square metres of factory floor damaged in the blaze

Japanese chip manufacturer Renesas said Tuesday it could take three to four months to restore full capacity after a factory fire that threatens to

worsen a global chip shortage.

The [fire](#) on March 19 came with car makers already battling semiconductor supply problems, in part because of increased demand for chips from manufacturers of laptops, tablets and gaming devices.

Renesas Electronics controls about 35 percent of the market for automotive semiconductors and saw 600 square metres (6,500 square feet) of factory floor damaged in the blaze.

The company originally assessed the fire as having damaged 11 machines but in fact 23 need to be replaced, CEO Hidetoshi Shibata told reporters.

He said 11 replacement machines would be delivered by the end of April, with seven more expected in May or June, but it was unknown when the other five would arrive.

"We believe we will not see delays in the deliveries (of the new equipment)," Shibata said, adding the firm hoped to receive the equipment "relatively early".

Renesas hopes to restart operations at the factory unit producing 300 mm wafers—a key piece of tech for modern cars—in around a month.

But the plant will not return to 100 percent capacity for "between 90 days to 120 days", said Shibata, who was hopeful it would do so "without significant delays to our estimate".

The timeframe could be extended, he admitted, if deliveries of replacement machinery are delayed.

Company officials were tight-lipped about which of their customers

would get early supplies of semiconductors, and also said it would take more time to pinpoint the cause of the fire.

With the blaze sparking concern about the impact on the world's [chip](#) supply, Japan's government and some of Renesas's own customers including auto giant Toyota have offered help.

Government support is not likely to include [financial assistance](#), but could involve coordinating help from the [private sector](#) or helping Renesas procure the replacement equipment.

Industry minister Hiroshi Kajiyama said on Tuesday the government has asked Taiwanese chipmakers for help on alternative production, according to public broadcaster NHK.

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Citation: Fire-hit chipmaker Renesas says recovery could take four months (2021, March 30)
retrieved 1 May 2024 from

<https://techxplore.com/news/2021-03-fire-hit-chipmaker-renesas-recovery-months.html>

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