

Bosch opens \$1.2B semiconductor factory in eastern Germany

June 7 2021



An associate is reflected in a 300-millimeter wafer in the clean room during a press tour of the new semiconductor factory of the Bosch company in Dresden, Germany, May 31, 2021. The chip factory will officially start working on June 7, 2021. Credit: Robert Michael/dpa via AP

German technology company Bosch on Monday opened a 1 billion euro (\$1.2 billion) chip factory in the eastern city of Dresden to help meet the growing demand for semiconductors.

A [global shortage of semiconductors](#) has forced major auto companies such as Volkswagen and BMW to slow vehicle production in recent months.

"Bottlenecks on the semiconductor market have made the [economic recovery](#) after the coronavirus crisis more difficult," German Chancellor Angela Merkel said at the opening ceremony.

Speaking by video link from Berlin, she suggested that [computer chips](#) have replaced oil as the "life blood" of economies.

Bosch, a major supplier to the car industry, said the factory is the biggest single investment in its 130-year history. It will employ 700 people to produce [silicon wafers](#) containing tens of thousands of custom-made chips that will control its airbags, braking and parking control systems.

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