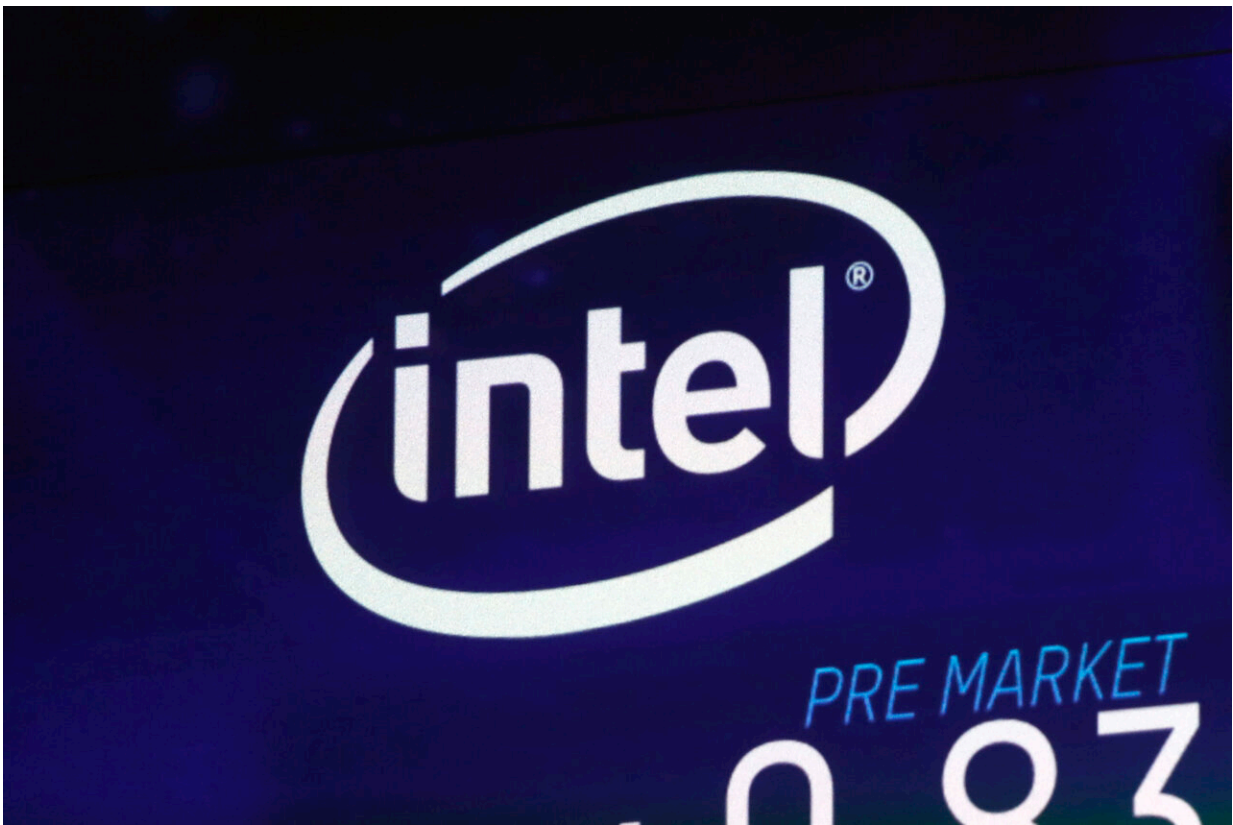


Intel says it will buy Tower Semiconductor for \$5.4 billion

February 15 2022



In this Oct. 3, 2018, file photo the Intel logo appears on a screen at the Nasdaq MarketSite, in New York's Times Square. Intel said it is buying Israeli company Tower Semiconductor for \$5.4 billion in a deal that could give the California chipmaking giant an edge in the business of making custom-designed chips. Intel CEO Pat Gelsinger said Tuesday, Feb. 15, 2022 that acquiring Tower will help expand Intel's newly formed "foundry" business that makes microprocessors for other firms. Credit: AP Photo/Richard Drew, File

Intel said it is buying Israeli company Tower Semiconductor for \$5.4 billion in a deal that could give the California chipmaking giant an edge in the business of making custom-designed chips.

Intel CEO Pat Gelsinger said Tuesday that acquiring Tower will help expand Intel's newly formed "foundry" business that makes microprocessors for other firms.

Intel will "benefit from that decades of experience that Tower brings in how to run a global foundry," Gelsinger said on an investor call about the deal.

Tower, based in Migdal Haemek, Israel, specializes in making analog chips used in cars, [mobile devices](#) and in industrial, medical and military sectors.

The companies said it could take a year for the deal to close. It's been approved by each company's [board of directors](#) but will face scrutiny from [government regulators](#) and must be approved by Tower's shareholders.

Amid growing demand for semiconductors and an ongoing global [chip](#) shortage, Santa Clara, California-based Intel said the deal also will help expand its manufacturing capacity and global footprint.

Many chipmakers have been seeking to diversify their supply chains to prevent the disruptions caused by pandemic lockdowns and other unexpected events, especially in Asia, which dominates global chip production.

Tower has factories in San Antonio, Texas, Newport Beach, California, and in Japan and Israel. It also shares an Italian factory with another company. Tower started in 1993 with the acquisition of an Israeli chip

factory built by former U.S. chipmaker National Semiconductor.

Tower's California facility is focused on chips built for the U.S. aerospace and defense industries and could complement Intel's own agreement with the Pentagon last year to build chips for military systems, Gelsinger said.

This story has been corrected to show that Tower is based in Migdal Haemek, Israel, not Tel Aviv.

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