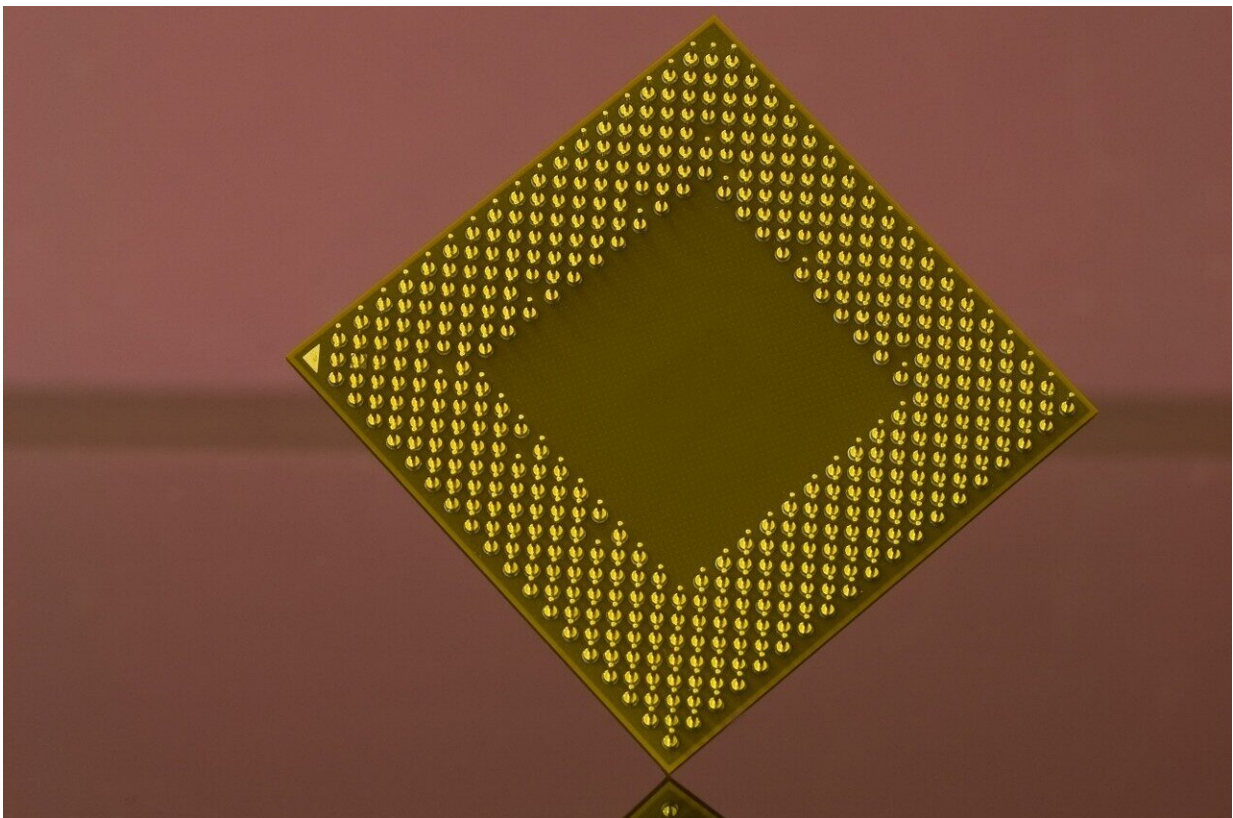


Texas Instruments details its plan to invest billions in US semiconductor chip production through 2030

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Texas Instruments revealed plans Thursday to invest \$3.5 billion annually in its U.S. semiconductor chip manufacturing through 2025 as

manufacturers face a global shortage of the tech necessary for an increasing number of goods.

The near-term [investment](#) figure marks a considerable uptick from the company's capital expenditures in recent years. And from 2026 to 2030, the company said, it will continue investing in its manufacturing to the tune of 10% of annual revenue.

"It is increasingly clear that the secular growth of [semiconductor](#) content will continue for at least another 10 to 15 years," the Dallas-based chipmaker's chief executive, Rafael Lizardi, told analysts and investors during a presentation.

The company forecasts that its investment plans will support 7% revenue growth for 2030 and beyond.

A major part of its production expansion will happen in Sherman, where it plans to begin building two out of four factories this year. TI will complete construction on the first two factories and expects to begin production at the first in 2025.

"The second one, with more investment, can be ready for production not long after that," Lizardi said, without mentioning a firm start date.

The company has said it plans to expand the number of factories at the site as needed, to meet demand for its chips, but said Thursday that construction on a third and fourth plant would begin between 2026 and 2030.

Each of the Sherman plants is expected to generate \$5 billion to \$6 billion in revenue annually for the company once fully equipped and operational, Lizardi said.

It's the first time the company has shared additional details about the site since it announced its plans for the four new factories in November.

When fully built out, TI's investment in the Sherman campus will total \$30 billion, which would make it one of the largest corporate investments in the state's history.

Local governments in Sherman and Grayson County approved an incentive package effectively abating 90% of TI's property taxes for its first 30 years in order to encourage the U.S. semiconductor giant to reinvest in the local economy. The plants could support as many as 3,000 jobs when completed and are already spurring development in the region.

TI has operated a plant in Sherman for decades, but that plant and another in Dallas will close as the company moves toward producing 300mm semiconductor wafers, which are a more high-tech, cost-effective version of its previous products.

When TI completes its Sherman, Richardson and Lehigh, Utah, fabrication plants, as well as another in Malaysia, the company will have eight factories producing the 300mm wafer tech, Lizardi said.

TI beat profit and revenue expectations in its final 2021 financial statement released last week and attributed strong revenue to increased demand for its products in the automotive and industrial sectors where it plans to place a "strategic emphasis."

In the [automotive sector](#), vehicles increasingly require more computer chips for their infotainment, body and lighting and safety systems, much of which is powered in part by analog and embedded chip technology made by TI.

TI didn't receive any state incentives from the Texas Enterprise Fund for its Sherman [plants](#), but Gov. Greg Abbott did celebrate the investment, saying it will "keep Texas a national leader in semiconductor manufacturing while also strengthening the domestic semiconductor supply chain."

At the federal level, the Biden administration is pushing the CHIPS Act, which is intended to increase U.S. competitiveness in the semiconductor industry. The U.S. warned last week that an "alarming" shortage of chips was partially to blame for the historic inflation hitting consumers.

Lizardi said the company's investment plans for the next decade or more don't factor in any incentives it might receive from the legislation, but that those incentives could potentially subsidize the company's planned expenditures.

"We do support legislation in the United States to improve the semiconductor industry's ability to be competitive and to be on a level playing field," Lizardi said. "Generally, I think the best way that it's accomplished is through a competitive tax rate."

Since the start of last year, chip manufacturers have announced around \$80 billion in investments in U.S. production, including TI's Sherman campus, according to the White House.

More than half of that investment is landing in Texas, which could become somewhat of a ground zero for a ramp-up in domestic production of semiconductor chips over the next decade. Samsung announced in November that it will build its own \$17 billion plant north of Austin.

Intel has announced a \$20 billion [chip](#) plant to be built outside of Columbus, Ohio, and others are planned in New York and North

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