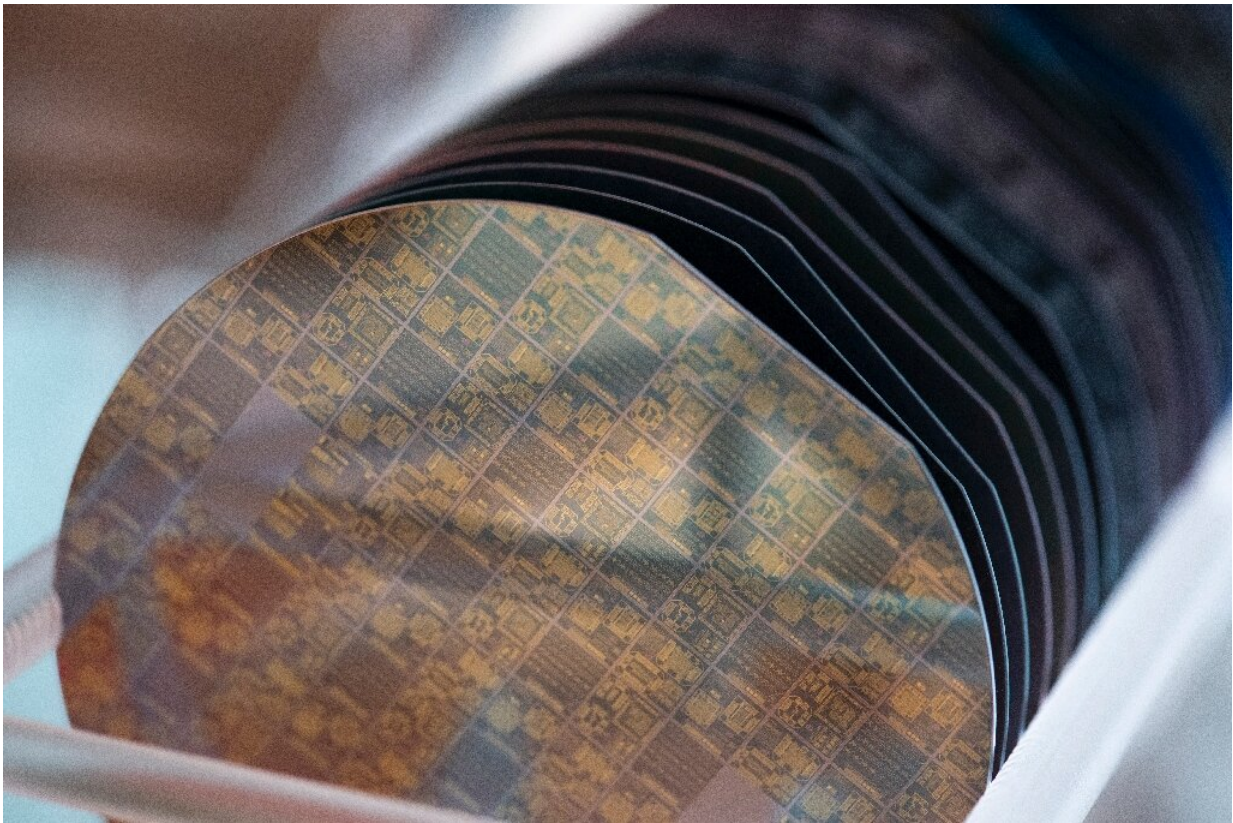


# STMicro and GlobalFoundries plan 5.7 bn euro French factory

July 11 2022

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Computer chips are produced on circular 'wafers' of silicon.

French-Italian chipmaker STMicroelectronics and US-based GlobalFoundries will plough 5.7 billion euros (\$5.8 billion) into a new semiconductor factory in France, the firms and President Emmanuel

Macron's office said Monday.

The two firms aim "to create a new, jointly-operated semiconductor manufacturing facility adjacent to ST's existing 300mm facility in Crolles," STMicroelectronics said in a statement, referring to its plant outside Grenoble in southeastern France.

Expected to employ around 1,000 people, the factory should reach full capacity by 2026, the company added, with the factory seen as part of efforts to reduce European dependency on Asian manufacturing.

Chip factories like STMicroelectronics's produce integrated circuits on 300-millimetre (12-inch) circular "wafers" of silicon.

GlobalFoundries and STMicroelectronics plan to produce their latest designs at the plant, with some elements as tiny as 18 nanometres—around 5,000 times smaller than the thickness of a sheet of paper.

Such chips "are expected to remain in high demand for automotive, [internet of things](#) and [mobile applications](#) for the next few decades," STMicroelectronics said.

The company added that the factory would receive "significant financial support from the state of France".

"This is the biggest industrial investment of recent decades outside of the [nuclear industry](#)," French Finance Minister Bruno Le Maire wrote on Twitter.

"It's a big step for our industrial sovereignty."

## **Push for European supply**

President Macron plans to visit the existing factory on Tuesday to outline government plans to support chip manufacturing with "more than five billion euros" as part of an industrial programme dubbed "France 2030", his office said.

He was one of the loudest voices pushing for more chipmaking capacity in the EU, where the European Commission earlier this year proposed a 43-billion-euro "Chips Act" to boost the field.

Disruption to supply chains during the COVID-19 pandemic has focused policymakers' minds on diversifying sources of key components.

Shortages of chips mostly produced in Asia have held up vital European industries like carmaking even after health restrictions were relaxed.

US [chip](#) giant Intel said in March it would pump up to 80 billion euros into its EU operations over the coming decade, especially in Germany, France and Ireland.

In France, the new Crolles factory would "strongly contribute to the objectives of the European Chips Act, including the goal of Europe reaching 20 percent of worldwide semiconductor production by 2030," STMicroelectronics said.

The Elysee said Crolles "will become France's biggest semiconductor production site and one of the largest in Europe".

Monday's announcement of the new factory was a top prize for Macron on the day of his annual "Choose France" summit.

The president invites top businesspeople and financiers each year to the sumptuous Versailles palace outside Paris in a bid to attract foreign investment.

Finance minister Le Maire said on Twitter this year's haul totalled 6.7 billion euros of investment and more than 4,000 new jobs.

In 2021, France claimed to be Europe's top destination for [foreign investment](#), with 1,222 individual projects—although a study by consultancy EY found that most of them were small in scale.

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