

Chip component plant to get \$300M expansion in Pennsylvania

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The electronics subsidiary of German multinational health care company Merck KGaA said Wednesday it will spend \$300 million to expand its specialty gas production facility in eastern Pennsylvania in a step that state officials hope will help boost the area's appeal to the fast-growing semiconductor industry.

The subsidiary, EMD Electronics, said the expansion will create the world's largest integrated specialty gases facility as part of its program to invest over \$3.5 billion on projects by 2025, including at sites in Arizona, Texas and California.

Company officials say the site houses a research center and synthesizes materials that form core building blocks of transistors, a component of microchips.

Gov. Josh Shapiro, who attended the announcement at the site in Schuylkill County, pledged more than \$1 million in state grants for the expansion.

"This industry is huge and its growth potential is enormous, and it is key to our economy and to our national security," Shapiro told a news conference.

Chip manufacturers are spending hundreds of billions of dollars to build new factories and expand production in the United States, [fueled partly by federal subsidies](#) designed to revive domestic production of computer

chips.

The subsidies are a key element of the Biden administration's effort to sharpen the U.S. edge in military technology and manufacturing while minimizing the kinds of supply disruptions to Asia during the height of the COVID-19 pandemic, when a shortage of chips shut down factory assembly lines.

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