

US chip giant Micron to invest \$600 mn in China plant

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US chipmaker Micron has announced a \$600 million investment in its plant in Xi'an, China.

US chipmaker Micron said Friday it would invest more than \$600 million in a packing and testing factory in northern China, less than a

month after Beijing banned its chips from critical infrastructure projects.

In a WeChat statement, the firm said it would invest more than 4.3 billion yuan (\$605 million) over the next few years in its plant in the city of Xi'an to acquire equipment and add a new factory at the facility.

China's cybersecurity watchdog last month said Micron had failed a national security review, telling operators of "critical information infrastructure" to stop buying its products.

It was the latest escalation in a bitter chip war between the United States and China, which has seen Washington move to block Beijing's access to cutting-edge semiconductors.

"This investment project underscores Micron's unwavering commitment to our China business and our China team members," CEO Sanjay Mehrotra said in a statement.

Micron said it would buy chip-packaging equipment from the Xi'an-based Licheng Semiconductor, which had already been operating some equipment in the US company's facility under a previous agreement.

"The investment is in line with Micron's global packaging and testing concept and would give the company the flexibility to manufacture a wide portfolio of products in Xi'an," the firm said in its WeChat statement.

Micron will also build a new facility with production lines for mobile DRAM, NAND and SSD chips, it added.

Chip war

About 10 percent of Micron's \$30.8 billion annual revenue last year came from China, according to company data.

But a large portion of Micron products sold in the country were bought by foreign manufacturers, analysts noted, and it was not clear if last month's decision by China's cybersecurity watchdog affected sales to foreign buyers.

Washington has said it has "very serious concerns" about China's restrictions on Micron.

Beijing began an investigation into Micron in late March, five months after the United States unveiled sweeping curbs aimed at cutting off China's access to high-end chips, chipmaking equipment and software used to design semiconductors.

The United States had cited citing national security concerns for the restrictions unveiled last year, expressing concerns that China will use US technology to develop advanced military equipment.

The White House has also urged South Korean chipmakers not to export to China to fill any gap left by a ban on US [semiconductor](#) imports.

The Netherlands and Japan—US allies that are both leading manufacturers of specialized semiconductor technology—have also announced restrictions on exports, without explicitly naming China.

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