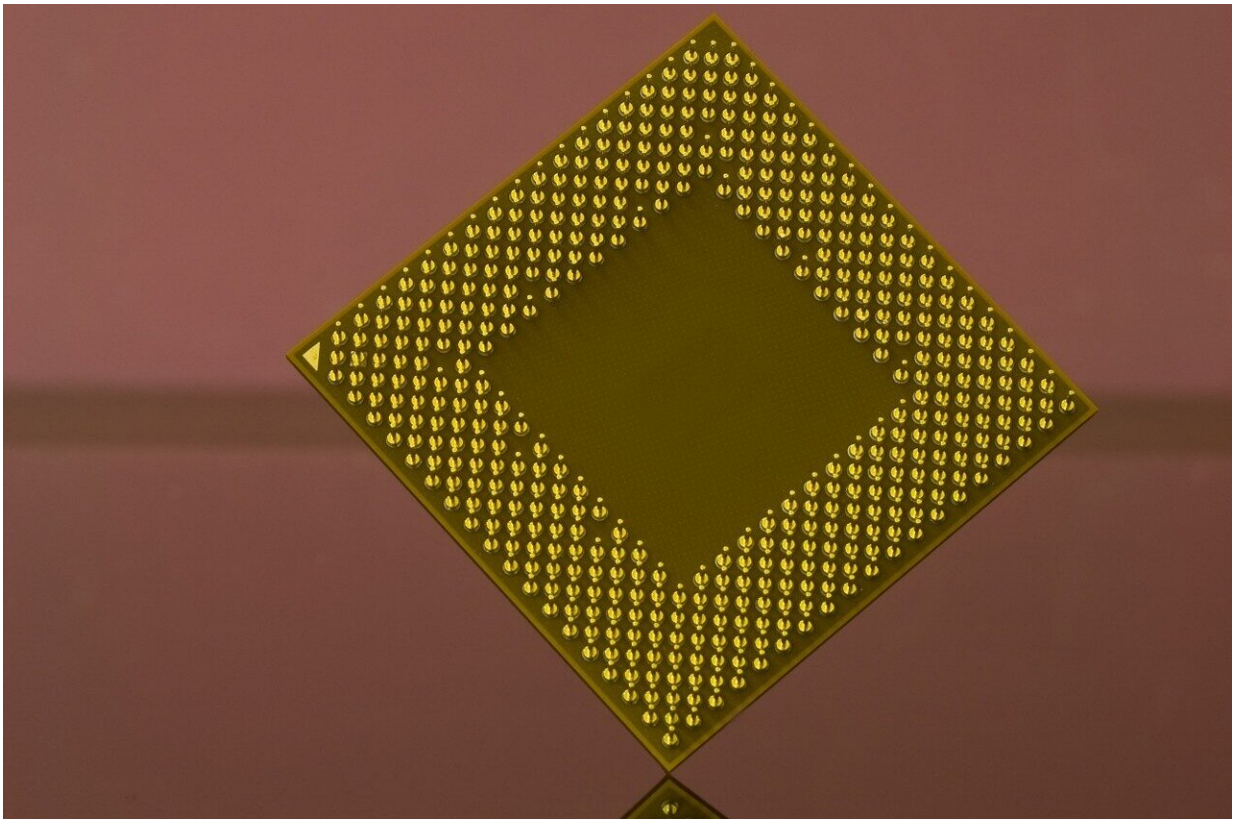


# US chip giant GlobalFoundries opens \$4 bn Singapore plant

September 12 2023

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The world's third-largest contract chipmaker GlobalFoundries opened a \$4 billion manufacturing plant in Singapore on Tuesday as part of a global expansion to help ease an industry supply crunch.

The [semiconductor](#) sector is recovering from disruptions caused by the pandemic, high inflation and sluggish global economic growth caused in part by geopolitical tensions.

The facility will produce an additional 450,000 wafers annually at full capacity by 2025 to 2026, the US company's Singapore general manager Tan Yew Kong told reporters, raising the city-state's overall capacity to 1.5 million wafers each year.

The chips, usually used in smartphones and other [mobile devices](#), are also increasingly in demand by automakers, especially for [electric vehicles](#), adding to the pressure to raise production.

Shutdowns during the pandemic fueled a chip shortage, which was exacerbated by rising prices and an [economic slowdown](#).

However analysts and industry officials say a demand recovery is in sight.

"The key megatrends of our industry—digitalization, connectivity, cloud computing—are all driving acceleration to a more connected and data-centric world," GlobalFoundries president and chief executive Thomas Caulfield said at the launch.

"It demonstrates how central and critical the industry is to the [world economy](#) and how pervasive semiconductors are in enabling and enhancing all aspects of human life."

Caulfield said despite current economic headwinds, the company estimates the industry will double in the next decade.

"The catalyst for this growth will be AI (artificial intelligence)," he said.

The firm's 23,000-square meter (247,570 square foot) Singapore facility, which broke ground in 2021, will boost the global footprint of the company, which already has plants in the United States and Europe.

Singapore's chip output currently makes up 11 percent of the global semiconductor market.

The global semiconductor market is predicted to experience a downturn of 10.3 percent this year but recover in 2024 and grow 11.8 percent, according to estimates by industry monitor World Semiconductor Trade Statistics.

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