

Chip maker Intel beats earnings expectations as it pursues rivals

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US computer chip maker Intel says that teams in Israel have been able to keep its operations running despite the war between that country and Hamas.

US chip giant Intel on Thursday said it made more money than expected in the recently ended quarter as it continued to invest in a

"geographically balanced" supply chain.

Intel shares jumped more than 7 percent to \$34.88 in after-market trades.

"We delivered a standout third quarter, underscored by across-the-board progress on our process and product roadmaps; agreements with new foundry customers, and momentum as we bring AI everywhere," said Intel chief executive Pat Gelsinger.

Intel reported revenue of \$14.2 billion, which was 8 percent less than the amount seen in the same quarter a year earlier but ahead of forecasts.

Net income tallied \$300 million, compared with \$1 billion profit in the same period in 2022, earnings figures showed.

"Our results exceeded expectations," said Intel chief financial officer David Zinsner, who said earnings benefited from "expense discipline."

Intel has been working to catch up with rivals, especially Nvidia, when it comes to powerful chips needed to handle the computing demands of artificial intelligence.

Intel touted investments being made in chip production facilities with an aim of creating a "geographically balanced, secure, resilient supply chain."

California-based Intel is seen as a key tool for the United States to reduce its dependence on major global producers, such as Taiwan's TSMC.

Earlier this year, Intel announced it will spend \$25 billion on a [new plant](#) in Israel, with Prime Minister Benjamin Netanyahu calling it the

country's single largest foreign investment.

The "agreement in principle" would see the semiconductor firm build the facility in the southern city Kiryat Gat that would open by 2027 and operate at least until 2035, Israel's finance ministry said.

Intel has been operating in Israel since the 1970s with development centers and a production site that employ some 12,000 people, the finance ministry said.

In 2017, Intel acquired Israel-based Mobileye, which makes technology for automated driving systems in vehicles, for just over \$15 billion.

Gelsinger said Intel teams have kept operations going despite the war between Israel and Hamas.

"Our utmost priority is the safety and welfare of our people in Israel and their families," Gelsinger said.

"Despite all of these challenges, they're performing extremely well. I am praying for a swift return to peace."

China

Gelsinger said Intel was carefully studying updated rules in the United States that tighten curbs on exports of state-of-the-art AI chips to China.

"We do believe that we'll have plenty of opportunity in China," Gelsinger said.

"We are continuing to deploy our products there broadly, even as we comply and work with (the United States) around the regulations that they're putting in place."

The new rules tighten measures from a year ago that banned the sale to China of microchips crucial to manufacturing powerful AI systems.

Calls to further close the supply chain grew after the popularity of generative AI platform ChatGPT.

When announcing the beefed-up curbs, US Commerce Secretary Gina Raimondo insisted they were intended to close loopholes and prevent China's development of AI for military use.

"It's true that AI has the potential for huge societal benefit. But it also can do tremendous and profound harm if it's in the wrong hands and in the wrong militaries," she told US media.

The rules will not affect chips used in [consumer goods](#) such as laptops, smartphones and gaming consoles, though some will be subject to export licensing requirements.

China has said it is "strongly dissatisfied" and "firmly opposes" the curbs.

"The US continues to generalize the concept of national security, abuse export control measures, and implement unilateral bullying," the commerce ministry said in a statement.

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