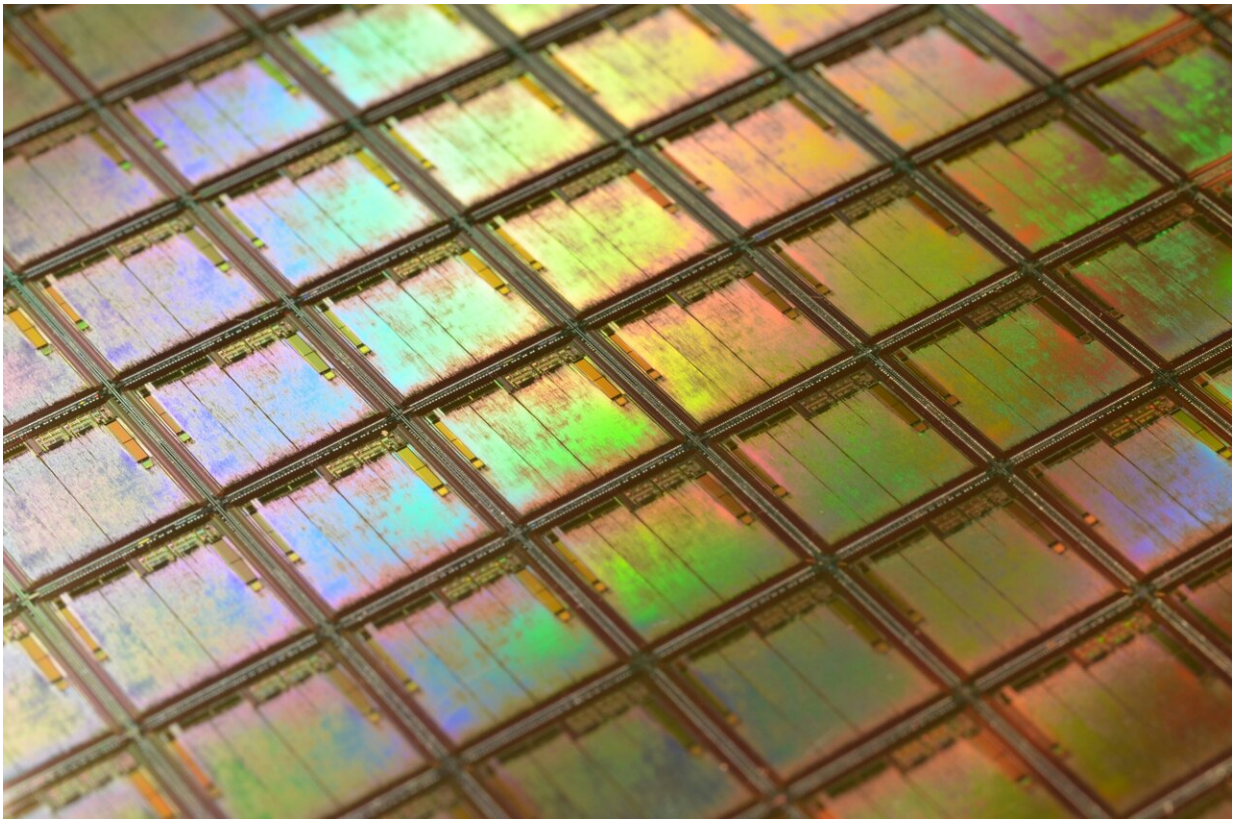


US to give GlobalFoundries \$1.5bln to boost domestic chip production

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The United States plans to award giant chipmaker GlobalFoundries \$1.5 billion in direct funding to boost domestic chip production, the Commerce Department said on Monday.

The world's third-largest contract chipmaker and the Commerce Department have penned a preliminary memorandum of terms to provide the funding "to strengthen US domestic supply chain resilience, bolster US competitiveness in current-generation and mature-node (C&M) [semiconductor](#) production," said a statement from the department.

The deal will also support economic and national security capabilities, it added.

The proposed funding, to be provided under the 2022 US CHIPS and Science Act, will go towards constructing a new facility and upgrading the firm's production sites in New York and Vermont.

The "preliminary agreement ... will award approximately \$1.5 billion to expand domestic production of semiconductors, strengthen US supply chains, and create thousands of good paying jobs right here in America," said Vice President Kamala Harris as saying in the department's statement.

Chips are crucial in powering everything from smartphones to [fighter jets](#).

They are also increasingly in demand by automakers, especially for [electric vehicles](#), adding to the pressure to raise production.

The global chip industry is currently dominated by just a few firms, including Taiwan Semiconductor Manufacturing Company (TSMC) and US-based NVIDIA.

Global worries about Taipei's plummeting relations with Beijing, which claims the self-ruled island as its territory, have fueled a US push to strengthen production.

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