

US can house 'entire' supply chain for advanced chips: Commerce Dept

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US Commerce Secretary Gina Raimondo said artificial intelligence was a 'game changer' in the demand for advanced chips.

US Commerce Secretary Gina Raimondo expressed confidence Monday that the country can house the entire silicon supply chain for making

advanced chips, including tech that is key for artificial intelligence.

Her comments come as the United States looks to cement its lead in the [chip industry](#)—especially for chips needed for the development of AI—both on national security grounds and also in the face of competition with China.

Speaking at the Center for Strategic and International Studies think tank in Washington, Raimondo said US manufacturing investments "will put this country on track to produce roughly 20 percent of the world's leading-edge logic chips by the end of the decade."

This refers to chips which process information to complete tasks. Raimondo added that the percentage today is zero.

"We also believe we will be successful in having leading-edge memory, which is also a critical input for AI systems, right here in the United States," she said.

She noted that AI has been a "game changer" in driving demand for advanced semiconductor chips.

While the United States leads in chip design and the development of AI [large language models](#), it does not make or package advanced chips needed to fuel AI, said Raimondo.

This includes chips necessary for national defense.

"The brutal fact is, the United States cannot lead the world as a technology and innovation leader on such a shaky foundation," she added.

"We need to make these chips in America."

On Monday, Raimondo added that Washington would "prioritize projects that will be operational by 2030" when it invests funds for advanced chipmaking.

Already, advanced semiconductor companies have asked for more than twice the amount of current federal funding set aside for such projects.

Washington is also "not losing sight" of the need for current generation and older chips needed for cars, [medical devices](#) and [defense systems](#), Raimondo said.

This month, the Commerce Department announced plans to award chipmaker GlobalFoundries \$1.5 billion in direct funding to boost domestic chip production, under the CHIPS Act.

This was the third such "preliminary memorandum of terms" announced under the 2022 law, after awards to BAE Systems Electronic Systems and Microchip Technology.

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