

Biden unveils almost \$20 bn for Intel to boost US chip production

March 21 2024, by Brendan Smialowski with Daniel Avis in Washington



US President Joe Biden speaks at the Intel Ocotillo Campus in Chandler, Arizona.

US President Joe Biden unveiled almost \$20 billion in grants and loans Wednesday for Intel's domestic chip-making plants—his

administration's biggest investment yet in the sector as he takes on China's chip dominance and sells his economic achievements over election rival Donald Trump.

Biden's decision to make the announcement during a trip to Arizona underscores his strategy of highlighting legislative achievements in key battleground states ahead of November's presidential rematch against Republican Trump.

"Unlike my predecessor, I was determined to turn things around to invest in America—all-American, all Americans. And that's what we've been doing," Biden said in a speech at the Intel Ocotillo Campus in Chandler, Arizona.

Biden said the investment in Intel facilities in four states—Arizona, Ohio, New Mexico and Oregon—would put the United States on track to manufacture 20 percent of the world's leading-edge chips by the end of the decade.

He then took a further dig at Trump, saying that "my predecessor would let the future rebuild in China and other countries, not America, because it may be cheaper."

Arizona, in the southwestern United States, was one of the tightest races of 2020, with Biden winning by just 10,457 votes—and the president will likely need to win it again in 2024.

The Democrat, 81, faces a tough reelection fight as he seeks to convince voters still skeptical about his economic record, despite strong recent growth and job creation data, persistently low unemployment, and slowing inflation.

The White House said the deal with Intel would provide up to \$8.5

billion in direct funding along with \$11 billion in loans under the CHIPS and Science Act.

'America's comeback'

The \$8.5 billion is the largest of any grant made so far under the \$52.7 billion 2022 legislation, US Commerce Secretary Gina Raimondo told reporters ahead of the announcement.

The money will help incentivize Intel to make more than \$100 billion worth of investments, which will be one of the largest investments ever in US semiconductor manufacturing, she said.

"We rely on a very small number of factories in Asia for all of our most sophisticated chips. That's untenable and unacceptable," she said.

"It's an economic security problem. It's a national security problem. And we're going to change that," she added.

Intel also plans to claim the US Treasury Department's Investment Tax Credit of up to 25 percent on some capital expenditures, according to the White House, which would significantly increase the amount of financial support it receives from the US government.

The [tax credit](#) is linked to a separate Biden administration policy—also adopted in 2022—called the Inflation Reduction Act.

"Intel's investment is an exciting part of America's comeback story, with leading edge semiconductor manufacturing coming back to America for the first time in 40 years," Biden's National Economic Advisor Lael Brainard told reporters on the same call.

The new funding will create 10,000 new manufacturing roles and 20,000

construction jobs, many of them unionized, Brainard said.

The White House estimates the [investment](#) will directly support at least 10,000 new jobs in both Arizona and Ohio. Some 3,000 roles in each state will be in manufacturing, and the remaining 7,000 will be in construction.

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