

Ford unveils venture with chip company to boost supply

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Ford announced a strategic venture with GlobalFoundries to enhance its supply of semiconductors.

Ford announced Thursday a "strategic collaboration" with chip company GlobalFoundries to bolster its supply of semiconductors as the

automaker grapples with a global shortage of the crucial components.

A joint press release from the companies offered few details, but said the aim was to boost chip manufacturing and [technology development](#) within the United States and enhance Ford's supply pipeline.

The two companies also will "explore expanded semiconductor manufacturing opportunities to support the [automotive industry](#)," according to the announcement.

"It's critical that we create new ways of working with suppliers to give Ford—and America—greater independence in delivering the technologies and features our customers will most value in the future," said the Detroit automaker's Chief Executive Jim Farley in the press release.

"This agreement is just the beginning, and a key part of our plan to vertically integrate key technologies and capabilities that will differentiate Ford far into the future."

Like other car companies, Ford has been forced to curtail production at some plants this year due to the worldwide shortage of semiconductors, which has complicated production in other sectors.

The problem is compelling a rethink of supply chains throughout American industry, with more companies bringing production assets in-house or diversifying their list of suppliers, and also picking US contractors or companies closer to the United States.

Originally founded in 2009 as joint venture between Mubdala Investment Co., an Abu Dhabi [sovereign wealth fund](#), and chip company AMD, GlobalFoundries went public earlier this month on the Nasdaq.

Global Foundries has three manufacturing plants in the United States, one in Singapore and one in Germany.

Shares of GlobalFoundries jumped 6.8 percent to \$66.95 in early trading, while Ford rose 1.9 percent to \$20.23.

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