

Macro Roundup Article

Headline: [Can Intel Become The Chip Champion The US Needs?](#)

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Tweet: The US is about to deploy \$52B in direct subsidies to arrest a slide in US semiconductor production from 37% in 1990 to 12% in 2022. @FinancialTimes

Summary: Last year's US Chips Act committed \$52bn in direct subsidies to support semiconductor manufacturing and boost research and development, along with an estimated \$24bn worth of tax credits over the next eight years. Intel has announced a spate of giant new manufacturing plants, known as fabs, with the economies of scale needed to justify the capital-intensive processes. There are two fabs planned outside Phoenix, two more in Ohio and a new €17bn mega plant in Germany that represents the country's biggest investment since the second world war. The cost for the first phases of these developments has already reached around \$60bn, and the German government is pushing Intel to expand its plans in exchange for the higher subsidies the company is seeking. Under the Chips Act, Intel could receive up to \$12bn to support its new US facilities, with extra subsidies for an advanced chip packaging plant in New Mexico and further tax credits.

Primary Topic: Investment

Topics: Factoid, Investment, News article, Productivity

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