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Intel, German Government Agree on Increased Scope for Wafer Fabrication Site in Magdeburg

Agreement accounts for Intel's expanded investment to build two leading-edge semiconductor facilities in Germany.

NEWS HIGHLIGHTS

- Investment of more than 30 billion euros in Germany is a major expansion of Intel's manufacturing capacity in Europe.
- "Silicon Junction" is expected to enter production at a more advanced technology than originally planned and will be the first of its kind in Europe.
- Intel's investments create the foundation for a next-generation European chip ecosystem, helping the European Union advance its goal of a more resilient semiconductor supply chain.
- The site will be constructed according to green building principles and will operate with high environmental standards to minimize its carbon footprint and environmental impact.

BERLIN--(BUSINESS WIRE)--

Intel and the German federal government have signed a revised letter of intent for Intel's planned leading-edge wafer fabrication site in Magdeburg, the capital of Saxony-Anhalt state in Germany. The agreement encompasses Intel's expanded investment in the site, now expected to be more than 30 billion euros for two first-of-a-kind semiconductor facilities (also known as "fabs") in Europe, along with increased government support that includes incentives, reflecting the expanded scope and change in economic conditions since the site was first announced.

This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20230619519081/en/

A rendering shows early plans for two new Intel processor factories in Magdeburg, Germany. Announced in March 2022, the project will deliver computer chips using Intel's most advanced transistor technologies. (Credit: Intel Corporation)

Intel acquired the land for the project in November 2022, and the first facility is expected to enter production in four to five years following the European Commission's approval of the incentive package. Given the current timeline and scale of the investment, Intel plans to deploy more advanced Angstrom-era technology in the facilities than originally envisioned. The Magdeburg site will serve Intel products and Intel Foundry Services customers.

Press Kit: Intel Plans Investments in Europe

“Building the ‘Silicon Junction’ in Magdeburg is a critical part of our strategy for Intel’s growth. Combined with last week’s announcement of our investment in Wrocław, Poland, and the Ireland sites we already operate at scale, this creates a capacity corridor from wafers to complete packaged products that is unrivaled and a major step toward a balanced and resilient supply chain for Europe,” said Intel CEO Pat Gelsinger. “We’re grateful to the German federal government, Chancellor Olaf Scholz and the government of Saxony-Anhalt for their partnership and shared commitment to fulfilling the vision of a vibrant, sustainable, leading-edge semiconductor industry in Germany and the EU.”

Chancellor Olaf Scholz of Germany said, “Today’s agreement is an important step for Germany as a high-tech production location – and for our resilience. Intel’s semiconductor production in Magdeburg is the single largest foreign direct investment in German history. With this investment, we are catching up technologically with the world’s best and expanding our own capacities for the ecosystem development and production of microchips. This is good news for Magdeburg, for Germany and for all of Europe.”

Vice Chancellor and Federal Minister for Economic Affairs and Climate Action Robert Habeck said, “Today's agreement is a milestone for Germany as a location for innovation and investment, for jobs, resilience and competitiveness. Intel's investment will raise semiconductor production in Germany to a new level and is an important contribution to growing European sovereignty.”

Intel’s investment will drive significant economic benefits not only in Magdeburg and Saxony-Anhalt, but across the country and throughout the European Union. Along with Intel’s existing wafer fabrication facility in Ireland and its recently announced assembly and test facility in Poland, the new wafer fabrication site in Magdeburg will create a first-of-its-kind, leading-edge end-to-end semiconductor manufacturing value chain in Europe, serving European customers and helping to fulfill the EU’s ambitions for a more resilient semiconductor supply chain.

“Congratulations to Intel on further expansion here in Germany. Siemens is proud to collaborate with Intel to accelerate the semiconductor ecosystem in Europe. We are a key technology partner for this industry, supporting manufacturers to scale and build more resilient supply chains,” said Roland Busch, president and CEO, Siemens AG.

The Silicon Junction will serve as the connection point for other centers of innovation and manufacturing across the country and region, promoting the development of a broad ecosystem of suppliers and companies across the technology industry. The site is expected to create 7,000 construction jobs over the course of the first phase of the build, approximately 3,000 permanent high-tech jobs at Intel and tens of thousands of additional jobs across the industry ecosystem.

Intel is committed to developing the Silicon Junction in line with its 2030 sustainability goals, including achieving net positive water use by conserving, recycling and reclaiming water, and funding local water projects that help restore more freshwater than Intel facilities consume. In addition, Intel has set goals to power its global manufacturing operations with 100% renewable energy and to achieve zero total waste to landfills.

Germany has world-renowned universities and technical training programs and a tradition of innovation and engineering that have made it home to some of the world's most successful and admired companies, including many of Intel's most important customers and partners. As it does in its other major sites around the world, Intel plans to work closely with local universities, research institutions and training programs to further develop a diverse workforce that can make the site successful and help grow the overall pool of innovators, entrepreneurs and visionaries that will advance Europe's digital and green future.

About Intel

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Forward-Looking Statements

This press release contains forward-looking statements that involve a number of risks and uncertainties. Words such as "anticipates," "expects," "intends," "goals," "plans," "believes," "seeks," "estimates," "continues," "may," "will," "would," "should," "could," and variations of such words and similar expressions are intended to identify such forward-looking statements, which may include statements regarding: our manufacturing expansion and investment plans and expectations in the European Union (EU) and the anticipated benefits therefrom; anticipated supplier, ecosystem, community, and government support and approval for our planned EU investments and anticipated benefits related to such support; environmental plans for and benefits from our factories and technologies; and other characterizations of future plans, expectations, events, or circumstances.

Such statements involve risks and uncertainties that could cause our actual results to differ materially from those expressed or implied, including: changes in demand for our products; Intel's failure to realize the anticipated benefits of its strategy, plans, and proposed transactions; construction delays or changes in plans due to business, economic, or other factors; increases in capital requirements and changes in capital investment plans; adverse changes in anticipated government incentives and associated approval related to Intel's planned EU investments; adverse legislative or other government actions; insufficient ecosystem support; the impact of macroeconomic and geopolitical trends and events; and other risks and uncertainties described in this press release , our earnings release dated April 27, 2023, our 2022 Annual Report on Form 10-K and our other filings with the SEC.

All information in this press release reflects management's views as of the date hereof, unless an earlier date is specified. We do not undertake, and expressly disclaims any duty, to update such statements, whether as a result of new information, new developments, or otherwise, except to the extent that disclosure may be required by law.

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