

Globalfoundries to Take Over IBM Chip Unit

“...The big technology company has long had losses on its semiconductor operations, which produce chips for IBM computers and for some external customers. IBM began talking to potential buyers early this year, with Intel Corp. and Taiwan Semiconductor Manufacturing Co. as well as Globalfoundries participating in the discussions, people familiar with the matter said last spring....

“Though IBM has been a pioneer in advancing semiconductor technology, the company’s manufacturing capability fell behind others that produced chips in large volume. IBM for years produced chips used in videogame consoles but lost that business for the latest generations of hardware from Sony Corp. and Microsoft Corp.”



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Globalfoundries, which manufactures chips to order for other companies, emerged as the most likely candidate in part because of geography. Most of the relevant IBM operations are in New York state.

Globalfoundries, which is owned by entities associated with the government of Abu Dhabi, has built a large factory near Albany. It also runs former manufacturing operations of Advanced Micro Devices Inc. in Germany and plants in Asia that were acquired along with Chartered Semiconductor Manufacturing Ltd.

IBM produces chips from plants in East Fishkill, N.Y., and Burlington, Vt.

