GlobalFoundries and GM Announce Long-Term Direct Supply Agreement for U.S. Production of Semiconductor Chips

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MALTA, N.Y. and DETROIT, Feb. 09, 2023 (GLOBE NEWSWIRE) -- General Motors Co. (NYSE: GM) and GlobalFoundries (NASDAQ: GFS) (GF) today announced a strategic, long-term agreement establishing a dedicated capacity corridor exclusively for GM's chip supply. Through this first-of-its-kind agreement, GF will manufacture for GM's key chip suppliers at GF's advanced semiconductor facility in upstate New York bringing a critical process to the U.S.

This agreement supports GM's strategy to reduce the number of unique chips needed to power increasingly complex and tech-laden vehicles. With this strategy, chips can be produced in higher volumes and are expected to offer better quality and predictability, maximizing high value content creation for the end customer.

Semiconductors are the foundation of the technologies that are powering the electrification, autonomous driving and connectivity of the auto industry, and they have been center stage in the global chip shortage that has impacted automakers the last couple of years.

"We see our semiconductor requirements more than doubling over the next several years as vehicles become technology platforms," said Doug Parks, GM executive vice president of Global Product Development, Purchasing and Supply Chain. "The supply agreement with GlobalFoundries will help establish a strong, resilient supply of critical technology in the U.S. that will help GM meet this demand, while delivering new technology and features to our customers."

"At GF we are committed to working with our customers in new and innovative ways to best address the challenges of today's global supply chains," said Dr. Thomas Caulfield, president and CEO of GF. "GF will expand its production capabilities exclusively for GM's supply chain, enabling us to strengthen our partnership with the automotive industry and New York State, while further accelerating automotive innovation with U.S.-based manufacturing for a more resilient supply chain."

"This first of its kind agreement between GlobalFoundries and General Motors is going to drive the Capital Region economy forward and ensure Upstate New York remains in the driver's seat as one of the nation's leading hubs for semiconductor manufacturing that is so critical to the supply chain of the auto industry. I have long said that Upstate New York's semiconductor corridor will be a major engine powering America's technological future, and now 'Made in New York' chips will help jumpstart the next generation of vehicles for GM across the country," said U.S. Senate Majority Leader Charles Schumer. "Thanks to my CHIPS and Science Act, we are bringing manufacturing back to our country and America's supply chains are being secured, creating good-paying jobs here in Upstate New York, not overseas. This partnership is yet another example that our nation's future will be built in Upstate New York, with the Capital Region as a global center for the future of the microchip industry."

New York Governor Kathy Hochul said: "We're making New York State not only the semiconductor capital of the country — but of the globe. This agreement will help to further establish New York State as a major hub for semiconductor manufacturing. With our nation-leading Green CHIPS legislation and the new Governor's Office of Semiconductor Expansion, Management, and Integration, we are helping businesses like GM and GlobalFoundries expand the chips manufacturing ecosystem in our state, creating jobs and opportunities for generations to come."

GF is responding to the global demand for semiconductors through a series of strategic long-term agreements with existing and new customers and simultaneously expanding global capacity to meet customer demand in partnership with federal and local governments. Supportive policies like the bipartisan CHIPS and Science Act are encouraging the onshoring of semiconductor production and reestablishing the U.S. as a global leader of this critical technology.

About General Motors (NYSE:GM) is a global company focused on advancing an all-electric future that is inclusive and accessible to all. At the heart of this strategy is the Ultium battery platform, which powers everything from mass-market to high-performance vehicles. General Motors, its subsidiaries and its joint venture entities sell vehicles under the Chevrolet, Buick, GMC, Cadillac, Baojun and Wuling brands. More information on the company and its subsidiaries, including OnStar, a global leader in vehicle safety and security services, can be found at https://www.gm.com.

About GF
GlobalFoundries (GF) is one of the world's leading semiconductor manufacturers. GF is redefining innovation and semiconductor manufacturing by developing and delivering feature-rich process technology solutions that provide leadership performance in pervasive high growth markets. GF offers a unique mix of design, development and fabrication services. With a talented and diverse workforce and an at-scale manufacturing footprint spanning the U.S., Europe and Asia, GF is a trusted technology source to its worldwide customers. For more information, visit www.gf.com.

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