Intel is reportedly in talks to buy the $30 billion foundry company AMD spun off a decade ago

In 2008, chipmakers Intel and AMD took two distinct paths: Intel kept manufacturing its own chips to maintain full control, while AMD decided to spin off its semiconductor business as GlobalFoundries, relying on it and other manufacturers to provide the actual silicon. Now, *The Wall Street Journal* is reporting that Intel is looking to snap up AMD's former fabs as well, in a deal that could value them at $30 billion.

It's clear from the *WSJ* story that the deal isn't a sure thing, and GlobalFoundries outright denied that it was in talks with Intel. But it's possible Intel's negotiating with the investment firm that owns GlobalFoundries instead, as the *WSJ* points out. It's also intriguing that the *Journal* doesn't have a "no comment" from Intel itself — that's sometimes a canary to indicate a company *did* comment, just off the record or on deep background.

("We will decline to comment on rumor and speculation," an Intel spokesperson told *The Verge,* though.)

Intel's pushing fabs on multiple fronts

There's an obvious reason why Intel might want GlobalFoundries — Intel is actually ramping up its foundry business now. In an attempt to turn around the struggling company, new Intel CEO Pat Gelsinger announced in March that Intel would no longer go it alone, outsourcing more of its chip production to third-

party foundries, agreeing to produce more chips for other companies using its own foundries, and also investing in new fabs itself. That included a $20 billion investment in new facilities in Arizona, but it could take many years for new buildings to get constructed and ramp up.

In the meanwhile, it could snap up GlobalFoundries, the #4 foundry in the world (according to TrendForce), one that accounts for 7 percent of all foundry business by revenue. That won't put Intel on the same footing as a giant TSMC or Samsung (which together account for an estimated 74 percent), but it'd be a start.

The Washington Post took a tour of GlobalFoundries' facility in Malta, NY just last week, if you'd like to hear what it's like.

https://www.theverge.com/2021/7/15/22579404/intel-globalfoundries-acquisition-buy-rumor