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Japan pays up to \$21B for two US chip fabs run by GlobalFoundries

Tokyo pays, America builds inside the \$21B New York chip deal” · “The first chip deal from Japan’s \$550B US pledge lands in New York

By **Manasee Kurlekar** | October 15, 2026



Japan will fund up to \$21 billion for two new chip factories in upstate New York, operated by GlobalFoundries.

It is the first semiconductor investment under Tokyo's \$550 billion US investment pledge, and Washington is also taking a bigger stake in the chipmaker.

GlobalFoundries (GF) was named builder and operator of two 300mm fabs at its Malta, NY campus, funded by Japan in two tranches of roughly \$10B each.

GlobalFoundries said on Wednesday it will build and run two new semiconductor fabs at its Malta, New York campus, funded with up to \$21 billion from Japan. It is the first chip investment under the roughly \$550 billion US investment pledge Tokyo made in its tariff deal with the Trump administration.

How the deal works

The money comes in two tranches of about \$10 billion each. The first pays for a 300-millimetre fab that breaks ground later this year and starts production in 2029. At full capacity it will turn out about 900,000 wafers a year. A second fab of similar size will follow if demand supports it, and Reuters reports a go/no-go decision is expected by the end of 2028.

The structure is unusual. Japan supplies the capital, and the plants will be jointly owned by US and Japanese government interests. GF supplies the technology and runs the plants, earning fees for construction, operations and licensing. Reuters reports that profits will be split 50/50 between Washington and Tokyo up to a set threshold, after which 90% goes to the US.

Washington is also increasing its direct stake. The Commerce Department will take about 4% of GlobalFoundries, raising total US government ownership to around 7%. Abu Dhabi's Mubadala remains the majority owner. GF is also moving \$955 million of its existing CHIPS Act award toward silicon photonics and advanced packaging.

Not the AI chips

These fabs won't make cutting-edge 2nm AI processors. They'll make the less glamorous but essential chips for cars, factories and telecom networks, the parts whose shortage shut down car plants in 2021. Renesas and Apple are the first customers, and GM, Cirrus Logic and Tokyo Electron have backed the project. GF expects about 27,000 construction and related jobs and more than 1,000 skilled manufacturing jobs in the area.

“Fabs of this scale require more than capital,” said GF CEO Tim Breen. Commerce Secretary Howard Lutnick called the deal proof that the President’s trade agreements are producing real American industrial assets.

The WBW take

This is a new kind of industrial policy. The US used to subsidise its own factories. Now allies pay for them as part of tariff deals, and Washington takes equity and a share of the profits. Japan gets lower tariffs and an investment return, and America gets the factories. The open question is whether the chips will find enough buyers, because no purchase volumes or long-term contracts have been disclosed yet.

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