

Semiconductors

Micron to invest \$600mn in Chinese factory despite Beijing chip ban

Memory-chip maker cites 'unwavering commitment' to China with new production line



Micron has been barred from supplying China's critical infrastructure operators © Kiyoshi Ota/Bloomberg

Eleanor Olcott and **Qianer Liu** in Hong Kong 11 HOURS AGO

Micron plans to invest more than \$600mn in its factory in the Chinese city of Xi'an, in a demonstration of its commitment to China just weeks after the US memory-chip maker was barred from supplying the country's critical infrastructure operators.

Last month, Beijing [banned key operators](#) from purchasing from the Idaho-based company after an investigation found its products "posed serious network security risks".

The company made no mention of Beijing's action in its announcement posted on the WeChat social media app on Friday. [Micron](#) said it would invest Rmb4.3bn (\$603mn) over the next few years in upgrading its chip packaging and testing equipment at the Xi'an factory.

"This investment demonstrates Micron's unwavering commitment to its China business and team," said the group's chief executive Sanjay Mehrotra.

Micron's announcement comes as Chinese consumer electronics groups are drawing up plans to replace the group's memory chips, according to two people with knowledge of the matter. Beijing's announcement last month did not specify how broad the restrictions were, but industry insiders said tech groups had been preemptively working on redesigns in case Micron were cut out entirely from use in the

country's products.

Micron did not respond to a request for comment.

Under the planned investment, Micron will add 500 new jobs, bringing its total headcount in China to more than 4,500.

The chipmaker will also purchase packaging equipment from a Xi'an-based subsidiary of Taiwan's Powertech Technology that it has been using in the factory since 2016. Micron also plans to build a new production line for memory chips in the facility, saying it had been "preparing for the project for some time".

Beijing's action against Micron was seen as the first significant punitive action against a US semiconductor company in response to Washington's tightening restrictions on chip-related exports to China.

It followed a seven-week probe into Micron led by China's Cyberspace Administration.

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