



Relations Between IBM and Abu Dhabi May Get Closer Thanks to Globalfoundries – Analyst

28nm Process Technology Can Advance IBM and UAE Relations

By Anton Shilov -- 06/21/2010

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The development cost of modern chip fabrication processes is tremendous and sharing the price between different institutions may lean to closer relations between companies and countries. The relations between Globalfoundries, the contract maker of semiconductors controlled by the government of Abu Dhabi state of the United Arab Emirates, and IBM, a provider of technologies for Globalfoundries, can easily get closer in the near future.

“IBM is more comfortable to deal with governments than individual companies. It is an aircraft carrier versus small fishing boats of natives,” said Boris Petrov, the head of the Petrov Group analytics firm, in an interview with The National newspaper.

At present partners of Globalfoundries – like those that license micro-processing technologies from ARM – need very advanced process technologies, such as 28nm or thinner, in order to create chips. Such technologies are required to produce chips with advanced feature-set and performance levels for various mobile devices. Companies like Qualcomm, which has traditionally offered system-on-chips (SoCs) for mobile devices, nowadays compete against Intel Corp, whose Atom microprocessors and powered SoCs are infiltrating the markets of ultra low-power devices.

“They do not want to see Intel diversifying beyond its computer processor monopoly, so ARM licensees are battling Intel’s attempts. For that they need 28nm technology [...]. The intention is to accelerate the time-to-market of the design and development while reducing the enormous financial risks of unsuccessful designs,” added Mr. Petrov.

At present Globalfoundries produces chips in Germany and Singapore and is also building a fab in New York state, the U.S. In addition the company has plans to create a foundry in Abu Dhabi. Nevertheless, Globalfoundries still needs fabrication processes and tools to develop new chips that are available from IBM.