

Brazil on the Verge of Becoming a World-Class Semiconductor Hub

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Brazilian authorities announced ambitious plans to establish a semiconductor industry in the Brazilian state of Minas Gerais, where 4 million square meters (approximately 990 acres) are being dedicated to semiconductor and semiconductor-related manufacturing and design.

The Minas Gerais Technological Park will be anchored by Companhia Brasileira de Semicondutores ("CBS"). CBS is planning an analog and mixed signal semiconductor wafer fabrication facility ("fab") which will run high-voltage CMOS, Bipolar, BiCMOS, and other specialized processes. The target completion date of the first CBS fab is early 2007.

In addition to semiconductor manufacturing, the Brazilian government is sponsoring the creation of a cluster of semiconductor design houses which will feed Brazilian and other worldwide wafer fabs.

Brazil's "Eldorado" project aims to attract foreign semiconductor design companies to Brazil while creating indigenous Brazilian design companies as well.

Brazil is one of the so-called "BRIC Countries" (Brazil, Russia, India, and China) that are now approaching about half the economic size of the G6 countries (U.S., Japan, U.K., Germany, France, and Italy).

According to a seminal report issued by Wall Street investment bank Goldman Sachs, when taken together the BRICs could be larger than the G6 by 2039 in GDP terms.

With today's advanced economies representing a decreasing amount of the worldwide economy, shifts in spending patterns will present major opportunities for corporations and investors in emerging markets, especially Brazil.

"Brazil is already a major maker and exporter of advanced high-technology products such as aircraft, consumer electronics, and cell phones and is making the necessary infrastructure and industrial investment to step onto the world stage in semiconductor manufacturing and design.

"The technological park in Minas Gerais, and CBS in particular, are clear indicators of Brazil's direction and commitment," stated Dr. Wolfgang Sauer, the CEO and co-founder of CBS and former president of Volkswagen Brazil, Robert Bosch Brazil, Autolatina and special advisor on industrialization to various South American governments.

"For strategic reasons many companies want to have semiconductor manufacturing located in multiple economic and geographic zones. A Brazilian semiconductor industry offers a real alternative to the concentration of semiconductor manufacturing in Asia."

CBS, located in the Minas Gerais Technological Park, is Brazil's flagship semiconductor manufacturing venture. CBS is backed by various Brazilian development banks and private investors worldwide.

The company is focusing on analog and mixed signal foundry and standard products for consumer, automotive, and industrial applications worldwide.

CBS - www.cbs-semi.com